

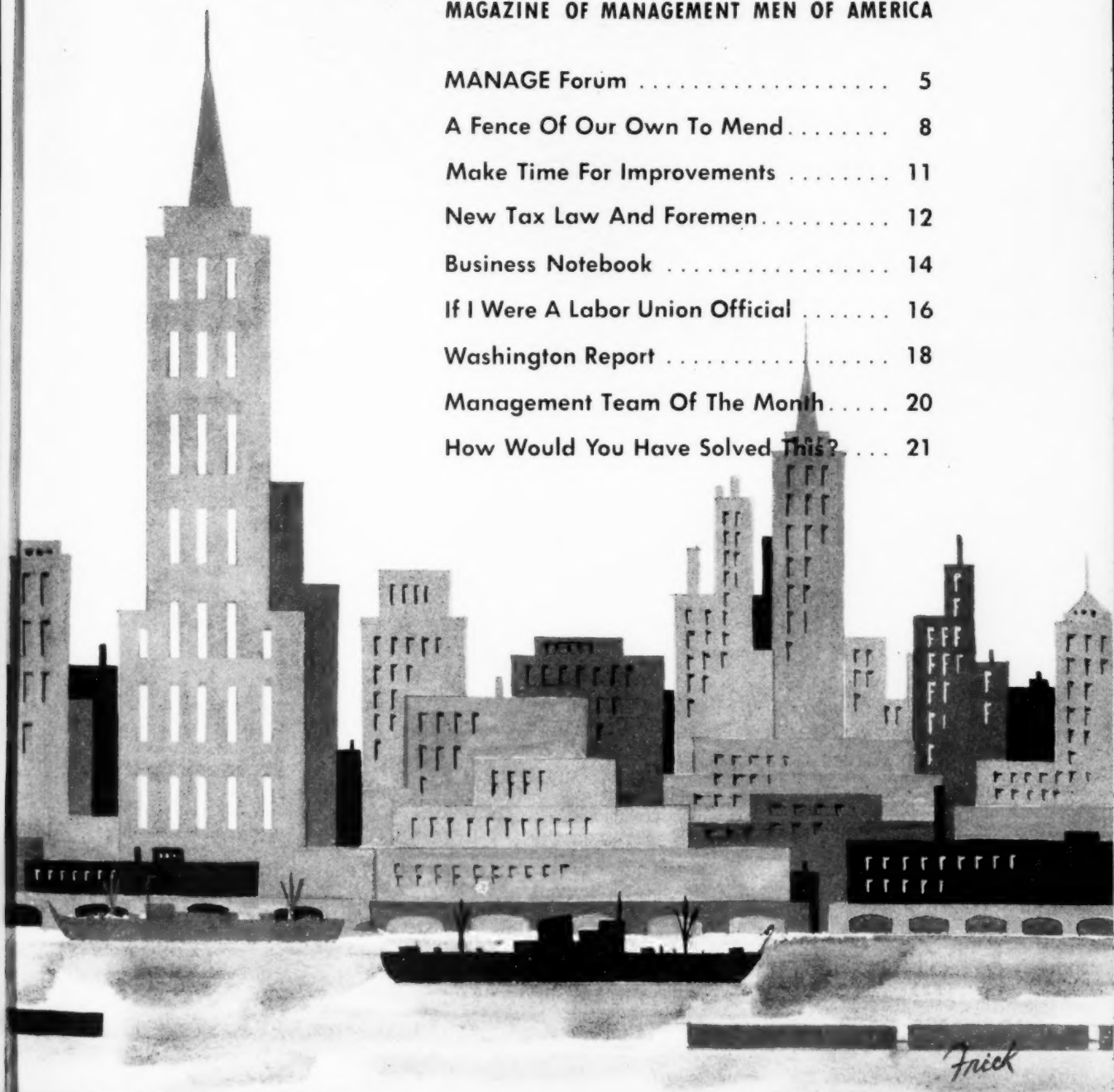
February, 1955

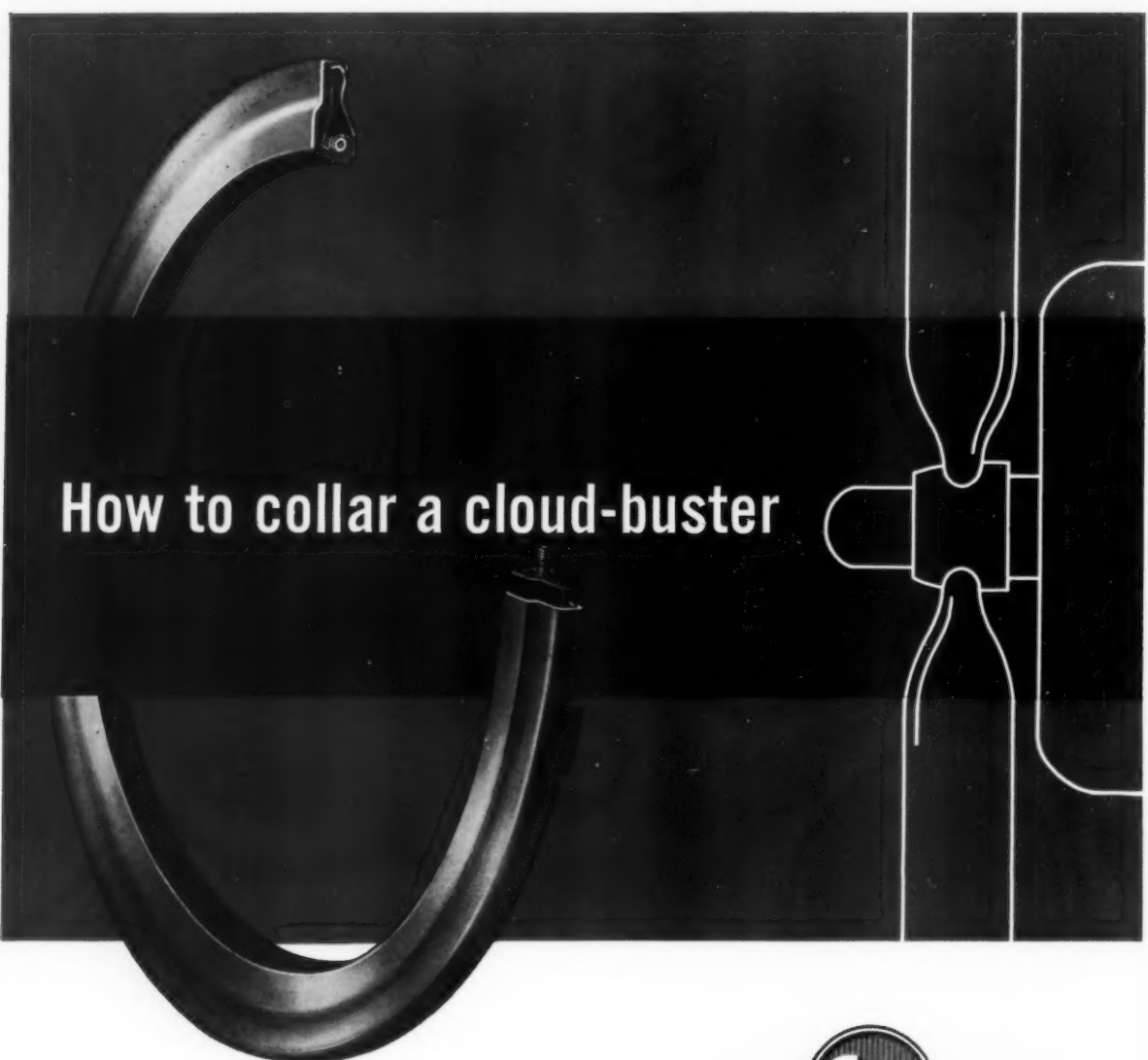
Forty Cents

Manage

MAGAZINE OF MANAGEMENT MEN OF AMERICA

MANAGE Forum	5
A Fence Of Our Own To Mend	8
Make Time For Improvements	11
New Tax Law And Foremen	12
Business Notebook	14
If I Were A Labor Union Official	16
Washington Report	18
Management Team Of The Month	20
How Would You Have Solved This?	21





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Faith . . .

Now faith is the substance of things hoped for, the evidence of things not seen.

Hebrews 11.1

AND NOW we come at last to the leaven of the whole loaf, faith—that bit of ferment without which leadership must remain a dull and lifeless thing. When we truly lead, we're constantly working with the unknown, the uncertain, the unseen. Whether we like it or not, we must constantly walk by faith, not by sight. And the strength with which we lead, depends upon the strength of our faith. Faith in what? some voice will ask.

Faith in Great Principles

First, we must have faith in the simple adage that honesty is the best policy. Morals are moral because the race has found that they pay. Proper economics and proper morals are exact equivalents. If we can believe this with all our hearts, if this becomes part of our faith, then we'll find no difficulty in seeing that every business-issue is indeed a moral issue. Good tooling is a moral issue, for instance—for waste of human energy is bad morals. Here as with all the other issues we've discussed, the quickest, surest way to find what's economic, is to find what's moral. This is not a preacher talking, Gentlemen. It's an industrialist talking who has found that the more he brings himself in line with these principles, the more successful is the enterprise he leads.

Faith in the Future

It's our faith, too, that will enable us to look at the long pull, to think in terms of decades, not in months or years. And here again is a moral issue. The lives of many people are, to a large extent at least, in our hands. We must not run our business for today only. We must not sacrifice the future, the future of our people, to the present. The present and the future must be in our eyes at practically the same distance. No buying cheap facilities then at the cost of high maintenance, mediocre products, high prices. No lowering our aims as to things we undertake so that we may more safely grab off a few dollars today. No putting the future in pawn as the opium-eater does. Let's run our business as we run our lives if we're wise—on the basis that we will live a good many years and would like to have our future years better years. *There is need of . . . thinkers jealous for the rights of the future, insistent upon the less obvious truths.* Richard T. Ely, *Outlines of Economics*.

MANAGE February 1955

Faith in Our People

It's faith that enables us to realize that among our people there are great resources of natural ability that we cannot see, ability that has not shown itself because we have not put it to the test, or have not provided it with the proper environment, or have somehow failed to stimulate it. It's faith that enables us to feel that our people can and will rise to higher responsibilities if we reach out and take on the higher responsibilities for them to share in. If we'll look back in Chapter Two, at Leadership by Repression, we'll see that it's lack of faith, nothing more nothing less, that makes the repressive leader what he is. No man can lead people successfully if he goes only by what he can see in them. He's got to have faith in the *unseen*. It's his faith that makes the things hoped for come true.

Faith in Self

Finally, there is one more faith that the leader cannot do without. He must have faith in himself, otherwise his life will be a chain of fears. He will never be able to act on probabilities and then to put his whole energy into making them come true. And probabilities need help. Let your work be your prayer that helps them. Let faith go hand in hand with your work. And let there be no obscurity as to what sort of faith all this means. John Ruskin, in *A Joy Forever*, describes it clearly—it means the faith which enables work to be carried out steadily in spite of adverse appearances and expediences; the faith in great principles by which a [leader] . . . looks past all the immediate checks and shadows . . . knowing that what is rightly done will have a right issue, and holding his way in spite of pullings at his cloak and whisperings in his ear, enduring, as having in him a faith which is evidence of things unseen.

This writing is from the late Carl F. Braun's book, "Management and Leadership." It is reprinted here with the permission of his son, Allan Braun, vice-president of C. F. Braun & Company, Alhambra, Calif. Copyright, 1948 by Carl F. Braun.

ABOUT THIS ISSUE

Benjamin Fairless knows plenty about free enterprise. From a very humble beginning in life he rose to one of the most important positions in American industry, chairman of the board and chief executive officer of the United States Steel Corp. It's no wonder a man who got to the top in the truest Horatio Alger fashion fights back when he discovers a disturbing misunderstanding prevalent among the manual and white collar workers. He sets things straight in "A Fence Of Our Own To Mend" beginning on page 8.

Two young business men discover it takes more than know-how to reduce inefficiency in their plant in "Make Time For Improvements" on page 11.

If you're in the woods about the new income tax law don't wait until the last week before filing to search for the facts. Read "How The New Tax Law Affects Foremen," page 12.

When a businessman finds a way to use showmanship with salesmanship it's almost certain to increase the ringing of the cash register. That's what William Freeman talks about in one item of Business Notebook, page 14.

Harry B. Munsell, president of the Kansas City Power & Light Co., puts himself on the other side of the table for a moment and tells what he would do "If I Were A Labor Union Official" on page 16.

Samuel Irish has an interesting slant and a prediction on what will happen at the nation's Capital with the Democratic party in control of Congress and a Republican as the chief executive. It's in Washington Report, page 18.

The first two-time winner of the Management Team of the Month is announced on page 20.

MANAGE this month has a new arrangement on "How Would You Have Solved This?" designed to give readers more opportunity and more time to participate in the monthly problem contest. See page 21.

And whether your feeling sad or glad be sure to read Bill Levy's "Pore Lil' Ole Me" on page 30. It's good medicine.

Manage

MAGAZINE OF MANAGEMENT MEN OF AMERICA

FEBRUARY, 1955

VOL. 7, No. 6

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IN THIS ISSUE

- 5 The Manage Forum
- 7 "F" Is For Foremanship
- 8 A Fence Of Our Own To Mend
- 11 Make Time For Improvements
- 12 How The New Tax Law Affects Foremen
- 14 Business Notebook
- 16 "If I Were A Labor Union Official"
- 18 Washington Report
- 19 The NAF This Month
- 20 Management Team of the Month
- 21 How Would You Have Solved This?
- 23 Tall or Flat
- 24 The Interview
- 26 A Positive Approach to Supervision
- 28 What's News Among NAF Clubs
- 30 Pore Lil' Ole Me
- 32 Manage Service Bureau

THIS ISSUE'S TOTAL CIRCULATION: 62,768

THE NATIONAL ASSOCIATION OF FOREMEN, GORDON R. PARKINSON, President; MARION N. KERSHNER, Executive Vice-President; T. I. RENSHAW, First Vice-President; WESLEY MAGNUSON, Secretary-Treasurer.

The National Association of Foremen (NAF) is a non-profit educational, management organization devoted to unifying all segments of management, foremen to president; to recognition of a professional status for these management men; to broadening the horizon of first-line management for more effective leadership; to strengthening the free economy in America.

Its 62,000 members include all management segments, enrolled mainly in autonomous but affiliated "area" or "company" management clubs. It also offers company memberships, and individual memberships in special circumstances.

For full information, address the executive vice-president at 321 W. First Street, Dayton 2, Ohio.

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The MANAGE FORUM

AS near as the mail box to every member of the NAF is the opportunity to strengthen his managerial stature by utilizing the free NAF service of solving industrial problems.

No, the folks at 321 West First Street don't say they know all the answers. But within our 62,000 members and 1,500 affiliated companies are men who have ideas on the solution of nearly any problem you can think of.

In fact, I'd not be surprised but what there are a lot of solutions floating around within the NAF for which problems have not yet been discovered.

Bill Levy, the NAF's one-man education department (more often called "management development division"), handles the problems as a sideline. He says he finds it relaxing between management unity seminars, regional training conferences, code of ethics training sessions, or speeches, to dig through letters from NAF members who would like to draw on the Association's stockpile of information.

"How do I get to be plant manager before I'm 35 years old?" went one recent question.

"What is the best way to set up an employee retirement program?" went another.

A General Electric Co., drafting supervisor, member of the Foremen's Club of Greater Cincinnati, wrote in the question, "How is the best way to budget the time of the draftsmen in my department?" Bill Levy selected six NAF-affiliated companies similar to GE and wrote personal letters to NAF directors or NAF club officers in those firms, stating the Cincinnati supervisor's problem and asking for the counsel of their respective drafting supervisors. Within 90 days, the GE supervisor obtained a detailed report, which Dr. Levy had compiled from the six replies he received.

The result? Almost at once the drafting supervisor put some of the suggestions to work and his department saw a production efficiency increase of 15 per cent.

The ideas were passed on to other GE divisions.

"And there will be a greater efficiency improvement, as soon as we can institute the other recommendations," he wrote the NAF.

Jim Bathurst, while he was NAF executive vice-president, used to say one of the greatest assets of the NAF was the tremendous pool of time-tested industrial ideas and techniques, the centuries of management experience, available to every member.

The congenial willingness of NAF members, and their companies, to share their experience and know-how with other members and companies is, in itself, quite remarkable. Few NAF plant doors are closed to NAF members with problems.

One club president told me the other day that he gets a kick out of seeing other clubs enjoy plant tours through the factory he manages. "They get plenty of ideas," he remarked, "and can't help but do better jobs of managing."

"Is that satisfaction enough to justify your open-door policy regarding plant tours through your factory?" I asked him.

"Shucks, no," he said, "I take my club on plant tours through their factories and get just as many good ideas as they do."

That's about the way it works.

A copper company foreman told me of an idea for spooling wire he picked up during a club tour through a steel company.

MANAGE February 1955

The technique, which involved a better way of gearing the speed of the revolving spool, cut down the reject rate of spooled wire from 18 per cent to less than one per cent . . . or a saving of about \$800 per week.

A year later, the copper company foreman found a way to improve the technique and he telephoned the foreman of the wire department of the steel company—whom he had never met—and explained the improvement to him.

"We both wear the same NAF badge," he commented to me. "I know the steel foreman would do as much for me."

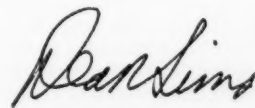
That attitude is what often makes it difficult to separate the "practical" from the "fraternal" atmosphere of the NAF. Where does one start and the other leave off, is one question I have tried to figure out a good many times.

"Why worry about it?" Bill Levy remarked the other day. "It's just the 'NAF spirit' at work. You can't separate the two any more than you can take the 'thanks' out of 'Thanksgiving' and have anything worth saving left."

But the point I hoped to make before I wind up this monthly session is that this NAF service is not being used enough by the membership.

What's your problem? If Bill Levy finds himself swamped with requests for solutions, he can recruit himself some hired help. He'll prove to you that you've been missing a whale of a lot of opportunity to benefit yourself as a manager and your company as a successful enterprise.

I'll guarantee you results from using this service which will make "them there four bucks a year NAF dues" look mighty, mighty small.



And the Readers Reply

MAGAZINE IMPROVING

TO THE EDITOR:

Have just finished reading the December issue of *MANAGE* Magazine and think that you have done a great job on improving the quality of reading in this magazine.

I still think that there is enough club news to keep most of the members quiet.

John Szabo
Superintendent, Rubber Div.
I. B. Kleinert Rubber Co.

RELIGION IS A GOOD FACTORY WORKER

To the Editor:

I certainly agree that "Religion is a Good Factory Worker," and I wish there were more ministers like Rev. Peterson bringing the Gospel to people in the plant. I've been a church member all my life yet I'm the first to admit that except for attending services on Sunday I do very little Christian service during the week. Surely devotional services on the job would be of benefit to all.

Sincerely,
H. H. Parsons
Long Island, N. Y.

WOULD JOIN NAF

To the Editor:

I have read your magazine for more than a year now and I find myself very envious of the members of your organization. Unfortunately the nature of my work would not permit me to be a member. I know about the NAF through friends of mine and from reading your magazine, which one of your members passes on to me. I think it is very informative and valuable reading for anyone regardless of their occupation. Keep up the good work. Thank you and best wishes.

John W. Brinkley
Los Angeles, Calif.

LIKES FREEMAN'S COLUMN

To the Editor:

I would appreciate it if you would tell Mr. William M. Freeman how much I enjoy reading his column each month in your magazine. He has a very sensible and sound approach to everything he writes about.

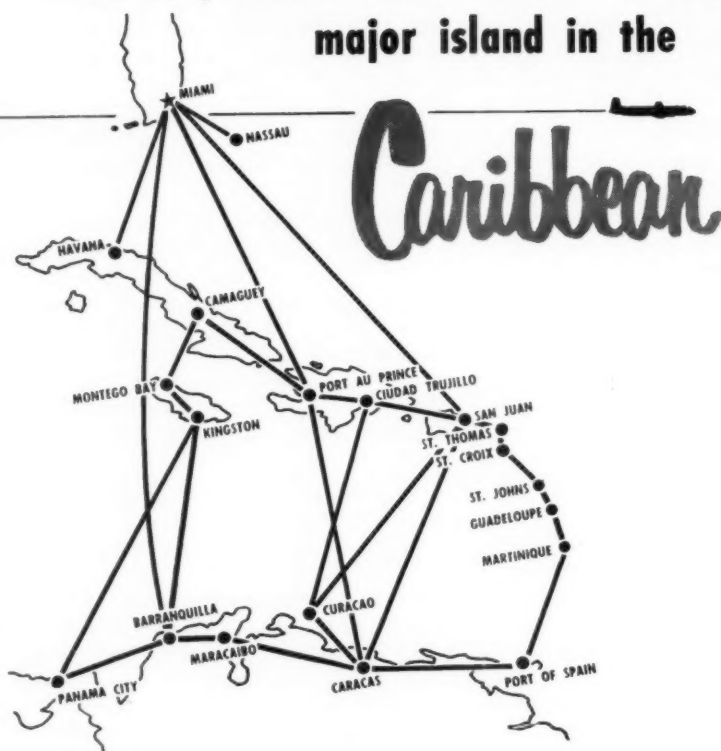
A Reader
(unsigned)

BETTER'N ESQUIRE

To the Editor:

Not long ago, my nephew who works for ACF Industries in New York, sent me a gift subscription to *MANAGE*. I used to read only *ESQUIRE* and *PLAYBOY*, but doggone if you fellows haven't interested me in management via your timely presentations in *MANAGE*. I

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particularly like the "Business Notebook" feature, which your Mr. Freeman handles so nicely.

Since you have explored the subjects of the guaranteed annual wage and unemployment compensation, why not continue the series by having a special issue on the foreman's role as personnel manager for his department? I could use some good advice.

Jerry Buterbaugh
Oak Park, Ill.

FRICK'S COVER

To the Editor:

Could you tell me who did the cover on your January issue. It certainly fitted the topic.

Herman Whilow
Detroit, Mich.

Editor's note: Dwight Frick, Dayton artist, was the man behind the brush for our January cover. We agree it was very well done.

MANAGE February 1955

"F" is for FOREMANSHIP



"FAMILIARIZE" YOURSELF WITH YOUR JOB AND YOUR MEN. You have no substitute for thorough, complete knowledge of your job duties and responsibilities. Likewise, you, as a foreman must understand the men who make your job go—or who don't; those who get your results for you—or don't.

"ORGANIZE" YOUR TIME SO THAT YOU DO FIRST THINGS FIRST. Organizational ability—the ability to make the job click by proper utilization of men, machines, materials and methods—is a rather scarce virtue. If you have it, treasure it. Keep it keen and sharp by constant usage and efforts to improve it.

"REALIZE" THAT MOST HARD JOBS PRESENT AN OPPORTUNITY, A CHALLENGE. A hard job separates the men from the boys in supervision—it tests your ingenuity and your skill. It will frequently require the very best you have. So realize that there is opportunity inherent in most hard jobs.

"ENERGIZE" YOUR MEN WITH ENTHUSIASM—IT'S CONTAGIOUS. To energize means, among other things, to set something in motion, to spark a situation so that "things get moving"—and stay moving. That spark, that enthusiasm must come from you, the foreman. Enthusiasm takes hold of men—it energizes them.

"MENTALIZE" YOUR WAY THROUGH YOUR PROBLEMS. Strange as it may seem in these days of mechanization and automation, foremen are still required to think—to "mentalize." Foremanship is a mental process. Your problems are solved best by thinking through them, then selecting the best solution.

"ANALYZE" YOURSELF OBJECTIVELY AT LEAST ONCE PER MONTH. Self-analysis, or soul searching, will open your eyes to many chinks in your armor. Looking at yourself objectively to determine areas where improvement and/or increased knowledge are needed is hard to do. Know your faults and weaknesses.

"NATURALIZE" YOURSELF—THAT IS, BE NATURAL; BE YOURSELF. People appreciate naturalness; we can usually spot a phony front, and we don't like what we see. A good foreman is natural. Don't lose the "common touch." Don't be afraid to be yourself.

"SYSTEMATIZE" YOUR JOB. A systematic approach to all foreman responsibilities will prevent many mistakes, correct many faults. But, remember this about systematizing your job—systems are made by people, to be used or followed by people, and that without people your systems are worthless.

"HUMANIZE" YOUR RELATIONS WITH YOUR MEN. Be a MANagement engineer—emphasize the MAN in foreManship. The cold hard truth of supervision simply is this: the fact that you have humans working for you is the only excuse for the existence of your job.

"ITEMIZE" THE PROBLEM. In problem solving, it's best to be specific and to take one thing at a time. Itemize means to count, to single out. The first step in problem solving is to spot or single out the problem. Then itemize the facts. Apply an analytical approach, good judgment, and keen observation.

"PERSONALIZE" YOUR WORK FORCE. You can get more results on the job and more satisfaction out of life itself if you treat each employee as an individual person. "Personalizing" your gang or job situation means knowing and using the names of your employees.

By T. G. Cain, Supervisor of Training and Education, Port Arthur, Texas Refinery, Gulf Oil Corporation

Manage
presents



Benjamin Fairless

Chairman of U. S. Steel

A Fence Of Our Own To Mend

Here is a provocative talk Mr. Fairless delivered before the Seventh Annual Conference of the Public Relations Society of America, Inc. In it he explains and refutes an astounding misconception about those who have fought and those who fight today for the preservation of individual freedom in America.

THE Public Opinion Index recently took a nationwide poll among the manual and white-collar workers of eight major industrial groups. In it these workers were asked how they rated the leaders of business and industry in comparison with union leaders and with government officials. The results were astonishing to me.

The survey showed that in many important respects, these industrial workers placed considerably more confidence in the leaders of business and industry than they did in the leaders of labor and government. They believed that management's leadership was more honest and more truthful—more intelligent, forward-looking, fair-minded, capable, hard-working, energetic, and trustworthy than was the leadership of government or labor unions. They also felt that business leaders were less arrogant, ruthless, cold-hearted, selfish, over-ambitious and power-hungry than union leaders are.

But when asked which group of leaders had done the most to protect freedom of the individual in this country, the overwhelming majority of these industrial workers gave the credit entirely to government officials. About one in five said that union leaders were the outstanding champions of individual liberty in America. Only one in twelve cast business leaders in that role.

WHO DOES IT?

As far as mere credit is concerned, of course, we don't care who gets it—just so long as human freedom is preserved in this great land of ours; but how can freedom be defended successfully unless our people fully understand the nature and the source of the attack upon it? And clearly, these workers did not.

If they had been asked who had done the most to protect our system of free competitive enterprise, I have no doubt that they would have been almost unanimous in saying that business leaders were responsible for

that; but obviously, they seem to think that economic freedom and individual liberty are two entirely different things—that it is possible to surrender one and still retain the other.

Now that, of course, is a disastrous and fatal delusion. The fact that it still persists is not only a major threat to all of our Constitutional liberties, but it is also a shocking commentary, I think, upon the inadequacies of our entire public relations effort to date.

We know that the only alternative to **private competition** is **government monopoly** of enterprise. We know that when government monopolizes production, distribution and employment, it is no longer the servant of men—it is their master. And therefore we know that economic liberty and political liberty are inseparable parts of the same ball of wax—that we must keep them both, or we shall lose them both. But clearly there are millions of our fellow men who do not know and understand these vital, basic facts about their freedom.

Now why have we failed in this field, when we were so successful in all the others I have mentioned? Well, the answer, I suspect, is quite simple.

LONE DEFENDER

For more than 20 years, American business has been the central target of a bitter socialist attack upon our free economy; and we have had to defend ourselves against that attack almost singlehanded. We have told ourselves that we were also defending nobly the economic and political liberties of every man and woman in this nation—and this was entirely true—but our fellow men just didn't see it that way.

To them it appeared that we were striving chiefly to save our own skins—that this was a private fight; and that they could afford to watch from the sidelines and wait for the best man to win.

Now I am perfectly sure that

most of these people sincerely believe in our enterprise system and want to see it preserved. But they also harbor a deep suspicion that free enterprise is a device designed primarily for the benefit of business—that it is our own personal baby, and that we have a vastly greater stake in its survival than they do. So they shrug off these attacks with one cynical question: "What have I got to lose?"

And to this date we have never answered that question to their satisfaction. Yet we have, at our fingertips, an answer so clear, so convincing, and so dramatic, that hardly anyone could fail to understand it. And I refer, of course, to the case history of Britain under the recent Socialist Government. It is the story of a people who—of all the nations across the seas—are most closely akin to us, because they speak our language and they cherish personal liberty quite as jealously as we do.

ENGLAND'S EXAMPLE

So while I have used this illustration before, it is so appropriate to this discussion and in these surroundings that I should like to suggest that we ask ourselves frankly, which group in our economy—the owners, the employees or the customers of business—would suffer most if we were to adopt a kind of benevolent, socialist government like the one which held power in England for six years following the close of World War II? Let's look at the established facts:

Nine years ago the Labor Party and the labor unions took over the British Government, lock, stock and barrel. Then they set out to create, in England, the socialist Utopia that they had always pictured. First, they established a system of cradle-to-grave security which undoubtedly did benefit the most impoverished groups in their economy. After that, they nationalized virtually all of the biggest, most important industries in the land, and fashioned

(Continued on page 10)

A FENCE TO MEND

(Continued from page 9)

them into a giant monopoly under government ownership and operation.

Now how did the people of Britain fare in that Utopia? What actually did they lose? Suppose we start with the owners whose businesses were taken from them.

These properties, of course, were not confiscated. The government bought the owners out, and in exchange for their stock—which paid dividends only when there were profits—it gave them government securities which paid interest, annually, whether there were any profits or not. So, since some of these businesses had been in the red for a long time—and since practically none of them ever made a profit after the government took them over—the former owners found themselves in the happy, and unusual, position of being subsidized, in effect, by a Labor government at the taxpayers' expense. You might even call it a kind of "Guaranteed Annual Dividend."

THE LITTLE GUY

When it came, however, to the small shopkeeper who was permitted to retain his own business, he did not fare nearly so well. He operated under a rigid system of rationing and price controls; and whenever the government found it politically expedient to do so, it could—without warning—cut the price of the goods which he had on his shelves. But it could not cut the price he had already paid for this merchandise; so he was left holding the bag. All he could do was to fire a couple of clerks, keep his customers waiting in line, and try to break even on the deal.

So far as the owners of business were concerned, therefore, the burdens of socialism fell most heavily upon the smaller, weaker enterprises that remained in private hands. But now let us count, if we can, the blessings which the British

worker enjoyed under this Labor regime. His unions had achieved their highest ambition. They were their own bosses. They controlled the biggest, richest industries in the land; and they could whack up all the profits as they pleased.

But alas, there weren't any profits to whack up. And the union leaders were far from happy.

They wanted, presumably, to grant every wage demand of their membership; and as the owners and managers of their newly-acquired industrial monopoly, they could easily jack up their prices accordingly. But as government officials and statesmen they could hardly allow their country to plunge headlong into bankruptcy, as it threatened so often to do during the six years they held office.

WAGE FREEZE

To keep England solvent, they had to maintain British exports. To maintain exports, they had to keep their prices competitive with those of the most efficient producers of the other nations of the world. And to keep prices competitive, they had to hold production costs—and wages—down.

So in the end, they had no choice but to try to enforce what amounted to a wage freeze. Beyond that, they plastered every available signboard with slogans such as "Work or Want"—slogans urging British labor to work harder and produce more. Over here, our men would have called it the "speed-up."

What they called it over there was apparently unprintable. Unrest grew in the rank and file. Absenteeism began to cripple the production of coal. There were slowdowns on the railroads; and strikes on the docks, which endangered the national food supply. Something had to be done—and it was done.

To cope with the coal situation, the government froze miners in their jobs—completely destroying their freedom to work anywhere else. And in the dock

strike, it took 15,000 drafted troops—many of whom came from union families—and sent them down to load and unload the ships until the strikers caved in. And so it was that labor's own leaders were cast in the role of strikebreakers!

But that was only one of the disillusionments that the British worker suffered under socialism; for he was also a taxpayer and a consumer—even as you and I.

MORE TAXES

As a taxpayer he learned to his sorrow the ruinous price of the all-out welfare state. He learned it because he paid it! His leaders, it is true, had soaked the rich while they lasted; but that wasn't long, and all that they got from the rich was only a drop in the budget. Nor could they soak big business, of course, because they already owned it, and it paid no taxes at all. So there was no one left to soak but John Q. Worker himself.

In the lower brackets he paid a standard tax of 45 cents on the dollar; and the surtaxes went up from there. But that was only the beginning. On top of his income tax he paid a sales tax—incredible as that may seem in a labor leader's Utopia. Nor was it any little penny sales tax either. It ranged from 33 per cent to 100 per cent of the selling price of each article it covered.

But in a way, this really didn't matter so much, because there wasn't a great deal he could have bought with his money, even if he'd been allowed to keep it; for England, under socialism, was a barren land of shortages and a wilderness of controls.

Its finest products were largely reserved for export. An American tourist could buy them readily in the London stores; but the British worker couldn't buy them at all. He could only admire them in the shop windows where they were clearly marked: "For export only."

At the same time, the government was forced to cut to the

(Continued on page 29)

MANAGE February 1955

Two bright, young businessmen had learned how to improve their plant operation. They had to install automatic and labor saving devices. They had to eliminate wasteful movement and inefficiency. But when to do it was a problem they hadn't solved.

By WILLIAM R. PALMER

~~TAKE~~

MAKE

time for improvements

MANAGE February 1955

"WE never get to the things we plan to do!" was the bitter comment of L. L. Means to Bob Neubrand, his plant superintendent at the Vallet Dry Cleaners in Yankton, S. D.

Both young men had recently completed a one-month management course at the National Institute of Dry Cleaning in Silver Spring, Maryland. They had returned to the cleaning plant brimming with ideas and plans for improving the business.

Several months had passed, and nothing had happened. Tonight, after the employees had gone home, the pair were taking stock of the situation. Why no action? Both were smart, aggressive, efficient—it couldn't be a lack of willingness, or laziness, or misunderstanding. So what was the roadblock to progress?

"We've been right busy!" stated Bob. "Haven't hardly had time for it." Means nodded reflectively, then sat up abruptly.

"That's it—time," he grinned. "We forgot that a time budget is as important as a financial budget. We've been busy all right, busy with the routine emergencies that always come up. We forgot to budget time for developing plant improvements!"

The young men consulted further. Finally it was decided that Bob, who was in charge of production, where the major changes were to be made, should be the one to devote specific time to plant improvement.

It was further decided that no matter what came up, Bob was to devote one day each week to plant improvement. If routine problems arose during that day they were either to be deferred to the following day, if possible, or were referred to Means. Nothing, absolutely nothing was to impede the improvement work on that day. Monday was usually the slow day in this plant, so it was the day chosen.

On Monday Bob Neubrand showed up in overalls, instead of a business suit. He started right away installing a homemade, automatic, garment conveyor from the finishing line to the inspector's station. When finished, it would save a total number of steps per week amounting to nearly a mile.

And so it went. Every Monday Bob religiously donned his overalls, even in the peak of the Spring season when volume reached 60 per cent above the year-round weekly average! Means and Neubrand had always had to hire at least one extra man in the peak season. They were prepared to hire two, if necessary, just to leave Bob free for his development program.

But they didn't hire any! In four months of "budgeted" Mondays, Bob had eliminated so many wasteful steps and extra motions in the production department that the regular staff was able to handle the Spring volume easily. This was accomplished even though output was the highest in the plant's history.

"The most important thing in planning improvements is budgeting the time to make them," reported Mr. Means. "You will stay snowed under with routine emergencies if you don't fight for time to root out the causes of such emergencies. If we hadn't set Mondays aside for Bob—we'd still be just talking!"

HOW THE NEW TAX LAW AFFECTS FOREMEN

THE new tax law brings one new worry to foremen as foremen and several important personal benefits.

The worry stems from the provision exempting from taxation under certain conditions the first \$100 per week of whole or partial pay a sick or injured employee receives from his employer.

The new law considers such pay a "benefit" and therefore not subject to taxation. There are certain limitations. There is a seven-day waiting period for absence due to illness unless the employee is hospitalized at least one day.

There is no waiting period if he is out because of a work injury. Also the benefit must be a cash payment. Any portion withheld for pension contribution, group insurance, etc., is taxable as previously.

The idea behind the new provision was to bring the benefits paid directly by employers into the same exempt category as income received under health-and-accident insurance. The net result, however, is to more than equalize the situation. Employees who receive full pay while ill will actually receive a higher "take home" amount than when working.

Probably there are not many malingerers in a shop where employer-employee relationships are good. **But there will be no insurance company checking to see if the illness is real or feigned. It all adds up to more supervision on the part of foremen.**

Aside from this one possible headache, foremen can join with the rest of their fellow citizens in rejoicing over many liberalizations in the revised tax code.

MEDICAL EXPENSES

On the same subject of illness, a taxpayer can now deduct doctor, dentist and hospital bills in excess of three per cent (former-

MEDICAL?

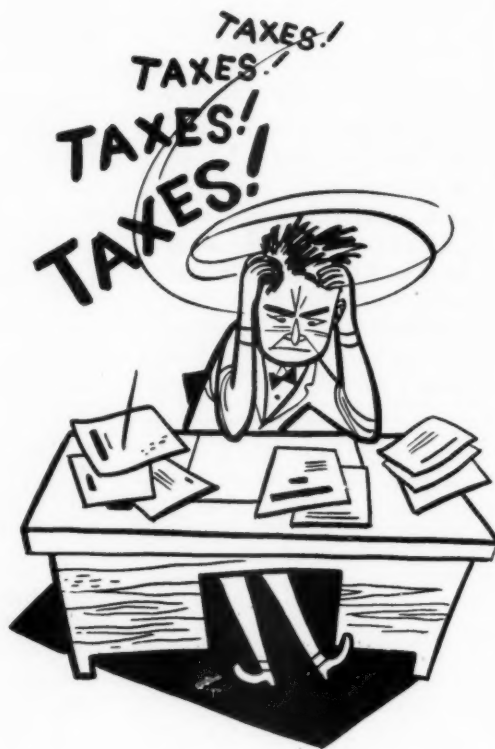
CHILDREN?

THE SPLIT?

CLAIMS?

INSTALLMENTS?

DIVIDENDS?



ly five per cent) of his adjusted gross income. Cost of drugs and medicines may not be included in medical expenses, however, except to the extent that they exceed one per cent of income—and don't try to add in toiletries, deodorants, dentrifices and the like. These limitations do not

apply to the medical expenses of a taxpayer and his wife if either is 65 or over, or is blind.

At the same time the maximum allowed for medical deductions is doubled: \$2,500 for each individual as against \$1,250 formerly, with a maximum of \$5,000 on a single return and \$10,000 on a joint return and for a head of household.

In the case of death, the new law permits the deduction of medical expenses of the decedent from his tax return for the year incurred if they are paid

This article is based on material furnished by the American Institute of Accountants, national professional society of certified public accountants.

out of the estate within a year after death.

CHILDREN

Provisions concerning children are treated with more liberality throughout the revised code.

Vacation or after school earnings can now exceed \$600 within certain carefully defined limits and the child can still be claimed as a dependent if he is under 19 and if the taxpayer provides more than half his support. This goes for a stepchild too, or an adopted child.

The same provision applies for children over 19 if they are full time students in school during five months or more of the year, or pursue full time on-farm training under the supervision of an educational institution or state agency. Full time attendance from February through June, for instance, meets this requirement.

For example, take a son under 19 or attending school who earned up to \$1,000 and whose support cost \$2,200. If his father contributed \$1,200, more than half his support, the father can claim a \$600 exemption for dependency.

Actually there is a double exemption: one for the father and another for the son himself when he reports his own income and pays his tax or files for a refund.

And if a student is lucky enough to secure a scholarship this aid is no longer bad luck for papa. The value of the scholarship will not be included as part of the dependent's support.

Suppose the cost of supporting daughter who attends school full time is \$2,000. She gets a scholarship for \$500 of her school expenses. Then she earns \$700 in the course of the year and applies it to her own support, leaving her father to contribute \$800. Father can still claim exemption since he contributes more than one half of \$1,500 (\$2,000 minus \$500).

Working women and widowers are now permitted to deduct costs of child care during working hours up to \$600 a year.

Working wives filing joint returns with their husbands may also claim this deduction minus any amount by which combined adjusted gross income exceeds \$4,500.

For example, with combined wages and salaries of \$5,000, the maximum child care deduction is \$100. When combined salaries reach \$5,100 or more, no child care deductions are allowed.

There are certain limitations as to child care deductions. The child must be under 12, except that there is no limit on age if the child is incapacitated. And the deductions are allowed only for the period the taxpayer works. A widow working six months in a year may deduct only \$300.

Where a maid does both house-keeping and child care work her pay must be prorated to these tasks. And a taxpayer subject only to the first bracket rate of 20 per cent—on \$2,000 of taxable income—may get a tax relief cut of no more than \$120 a year.

INCOME SPLITTING

The benefits of income splitting have been somewhat extended. A taxpayer left with a dependent child after the death of husband or wife may continue the privilege of income splitting for two years after the decease of the wife or husband.

Heads of households continue to get one-half the benefit of income splitting. But there is this important difference.

It is easier to qualify as a "head of household" since the relative who is being supported need no longer live under the same roof with the taxpayer.

Take a bachelor living in Chicago and supporting his mother back home in Ohio. He may claim classification as a "head of household" and get one-half the benefit of income splitting if the other requirements are met. This can be a substantial advantage if the income is considerable.

OTHER CLAIMS

Children, or any group paying more than half the support of a

close relative, can now take turns claiming the exemption for the relative to whom they all contribute.

In the past no one of the group could claim exemption unless he provided more than half the support. Now if the group pays more than half the relative's support, any one of the group whose contribution is at least 10 per cent of the support can claim the exemption if the others sign statements that they will not claim the exemption in the same year. The others can take turns in succeeding years.

A son and a daughter contribute to their widowed mother's support. Each contributes \$700 and their mother spends \$500 of her savings. Since together the son and daughter provide more than half the mother's support and each provides more than 10 per cent, the daughter may claim exemption for a dependent one year and the son the next. Each must sign a written waiver in the appropriate year.

Other conditions surrounding dependency exemption have been liberalized. A non-relative can now qualify as your dependent if a member of your household and if your home is his principal abode. Or dependency can still be claimed if such a person is absent only while attending college or school.

A person not a member of your household can be claimed as a dependent if he is related to you in one of eight specified ways, the same as under the old law. Under a special provision, a cousin who is receiving institutional care because of physical or mental disability can be claimed provided he was a member of your household before such care began.

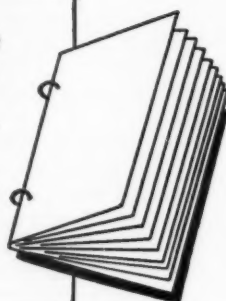
INSTALLMENT PURCHASES

There are other liberalizations. Here is one of them: carrying charges on installment purchases up to six per cent of the average unpaid balance can be deducted if your contract fails to show just how much interest is in the carrying charges. Under prior law

(Continued on page 34)

BUSINESS NOTEBOOK

by William M. Freeman



SHOW BUSINESS AND STORE BUSINESS are close blood relatives. Each calls for salesmanship and showmanship. Not long ago a store calling itself the Caviar-teria opened its doors on a New York side street. It sells caviar and other table items ordinarily thought of as delicacies, which usually are slow selling items. Its prices are fair, its display attractive and, most important, its dollar volume is an indication that there are customers to be had if the seller has a selling idea.

A wink pays off in the store as well as in the theatre. Near the Caviar-teria is a shop selling women's dresses which goes, plainly and simply, by the happy name of The Clothes Horse. It has a steady trade and daily attracts new customers willing to concede that the things women wear are only secondarily designed for protection from the weather. In the same area is a shop called The Red-Headed Woman, which deals exclusively in apparel for redheads.

The way an item is sold has nothing to do with its quality, of course, but the point of the whole thing is that it gets the item off the shelf in exchange for a buyer's cash. American restaurants in recent years have increased sales and have been able to charge higher prices by adding adjectives to the menu. This apparently started with—

SNAILS vs. ESCARGOTS

—in the fancier French restaurants. The proprietor can get more for beef stew if he calls it ragout de boeuf aux pommes de terre, so now whole menus are in French. This proves that many persons are willing to pay for the privilege of being snobs.

Even the department and specialty stores are getting into the act. They long have had special sections or "little shops," handling high-style accessories. The word "boutique" is gradually being adopted for these stores within stores, boutique being the French term for such a shop. Actually, according to Milton S. Graber, president of Harry Rosenfeld Handbags, a New York manufacturing and importing organization, and also head of Boutique Originals, the translation is logical, since most of the merchandise is imported, and a lot of it from France.

There is a lesson here for American manufacturers. Mr. Graber believes this type of merchandising will continue because "as long as mass production is the keynote of American manufacturers we shall have to look to Europe for our boutique department accessories." He said American artisans will get this business only "if they can produce unusual items in limited quantities at low cost." Even if they do, which is unlikely, chances are the French words will stick, because they command more money.

ENGINEERS AND WRITERS

Engineers very often have great difficulty in composing plain English sentences. People who know how to write a letter or a report usually don't grasp complicated engineering formulas. The

result is that the production man in the shop, the research technician and the field supervisor don't get along very well with their opposite numbers in the front office, the controller, the administrator and others handling paper work.

An attempt to remedy this state of affairs by training men to be equally adept in the plant and in the front office has been started at Rutgers University, New Brunswick, N. J. This institution, which is one of the original colonial colleges (founded in 1766) is offering a five-year program, believed to set a pattern, that combines the liberal arts and engineering. The doubled instruction leads to two degrees, Bachelor of Arts and Bachelor of Science. It does not replace programs leading to either degree, but supplements both.

Dr. Lewis Webster Jones, president of Rutgers, had this to say in explaining the thinking behind the new program:

"[It] has been organized in response to a growing demand by industry for engineers with a broad educational background in the humanities. The new program combines all the courses required by the College of Arts and Sciences for a general education with all those required for engineering degrees."

TAXES

Consider the income tax law:

You buy a piece of paper for \$750, sell it ten years later for \$1,000. Uncle Sam says, "That's a long-term capital gain. Pay tax on half of that \$250 profit."

You buy a similar piece of paper for \$750, sell it ten years later for \$1,000. Uncle Sam says, "That's interest. Pay tax on \$250."

The first piece of paper is a Grade A bond. The second, also Grade A, is a Government savings bond, the kind you are urged daily to buy to help Uncle Sam. Each involved an investment of \$750 and each took ten years to pile up the

extra \$250. Why is one piece of paper treated one way, another piece differently? More important, would it be very surprising if investors preferred the private piece of paper? And is it any surprise to note steady advertising for securities which are tax-exempt?

LIFE INSURANCE

The money that goes into life insurance is doing some important work in manufacturing more jobs and making it possible for more people to buy homes. The net worth of some 800 life insurance companies jumped in the first half of 1954 from \$78,201,000,000 to \$80,981,000,000, a rise of nearly \$2,800,000,000.

This is reported by the Institute of Life Insurance, which notes that the rise was the largest ever recorded for any similar period. Most of this amount—\$2,292,000,000—went into mortgages, chiefly home financing. The figure was up seven per cent from the 1953 period.

The institute makes this comment:

"The increased use of income plans for life insurance during the past nine years has given thousands of families a continuing income on an insured basis. This year's aggregate of benefits set aside under income plans probably will be 40 per cent greater than those in the last year of the war. American families now have more than \$6,300,000,000 stored up as policy proceeds and accumulated interest, awaiting future payment as family income."

IMAGINATION

There are sales to be had for the salesman with imagination. Proof of this observation comes every day in the week; one of the latest is from Westinghouse Electric Corporation, which suggests, not that night lighting of gardens is a good idea, but that it should be planned now. Instead of attempting to sell the idea of artificial light for outdoors, it starts off with the premise that everyone is in favor

of floodlighting the garden and goes on to suggest white light for flower beds and green and yellow for the fountain, the pool and the trellis.

The thinking is applicable to practically anything. Elmer Wheeler, the well-known super-salesman, offered much the same principle in telling, by way of example, how to increase dollar volume at a soda fountain. When a customer asked for a malted milk, most drug store clerks would set about making it, he noted. The salesman would ask, "With an egg?" to which the answer usually would be in the negative. The super-salesman, primed by Mr. Wheeler, would ask brightly, "One egg or two?" as he reached for the egg bowl.

OPERATION

Things that are to be done aren't just jobs of work any more. When a big executive orders Christmas cards distributed to the help the project is spoken of as "Operation Santa Claus." Similarly, a purchasing agent putting in a reorder will ask a secretary for the file on "Operation Paper Clip."

No doubt it is all an outgrowth of World War II, when everything was an operation. A newspaper now speaks of expanding "the news operation," a sausage factory will refer to trouble with workers in "the grinding operation," and a boss stevedore, no less, complains of lack of cooperation from workers in "the unloading operation."

But the semantic cycle must be near an end. This sign was observed the other day in one of the Union News Company's bars in New York's Grand Central Terminal: "This operation closes at 8 P.M."

Too much is too much.

The Carborundum Co., Niagara Falls, N. Y., has acquired the Curtis Machine Corp., according to a joint announcement by Gen. Clinton F. Robinson, president of Carborundum, and Mr. Gene DeMambro, president of Lincoln Park Industries, Inc.

"Real-life" cases help you— Solve problems in industrial management



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in industry today. The cases represent problems from actual business, life that give you an insight into handling similar problems arising in your plant. Theory and background are included that point to the key factors in making the decisions needed to solve the problems.

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BY F. E. FOLTS

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CONTENTS:

1. The Business of Production. 2. Specialization of Labor. 3. Further Application of the Specialization Principle. 4. Simplification. 5. Standardization. 6. Diversification. 7. Expansion. 8. Contraction. 9. Integration. 10. Raw Material Supply. 11. Purchasing. 12. Plant Location. 13. Plant Layout. 14. Power. 15. Labor Supply. 16. Job Standards and Wage Payment Methods. 17. Wage Determination. 18. Personnel Organization. 19. Job Security. 20. Product Development and Introduction. 21. Planning and Scheduling. 22. Raw Materials Inventory Control. 23. Quality Control. 24. Cost Control. 25. Budgetary Control. 26. Organization.

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MANAGE MAGAZINE
321 W. First St., Dayton 2, Ohio

"IF I WERE A LABOR UNION OFFICIAL...."



HARRY B. MUNSELL

THERE is an old Indian prayer which says, "Grant that I may not criticize my neighbor until I have walked a mile in his moccasins."

While I have never been a union official, I venture to say that my experience in the field of human relations has been substantially the same as labor's. I say this because there are actually no basic, fundamental differences between enlightened labor leaders and enlightened management leaders.

Men on both sides of the bargaining table have substantially the same heritage. When we are away from the bargaining table we do not disagree, in principle, in fields of government, moral standards, education, or philosophy. Even when we are at the bargaining table and in our day-to-day relations after the contract has been signed, we have a common objective—to improve our relationships and our industry.

And so I believe I have some right to tell labor what I would do if I were in labor's position, for even though I have not actually "walked a mile in labor's moccasins," I think I know many

Harry B. Munsell, president of Kansas City Power & Light Co., recently was invited to address a district meeting of the International Brotherhood of Electrical Workers (AFL), one of the three unions with which the electric utility deals. The union suggested he talk on, "What Advice I Would Give a Union If I Were a Union Official." This article is taken from the talk, though, out of consideration for our MANAGE readership, we have substituted "labor" for the "you" references of Mr. Munsell to the assembled labor officials.

of the problems of the working man as well as I know the problems of his employer.

STATESMANSHIP

There is a great need for more statesmanship in labor. I do not deny that there is room for improvement in management's statesmanship as well, but for the moment I am privileged to speak of labor.

Labor has gained a place of great power in our industrial life, a place beside management, and with that power comes responsibility. Largely behind labor are the struggles for recognition and union security. If labor now speaks with the voice of authority, it should not forget the public expects more than strict partisanship from its leaders. **Just as management's responsibility is not solely to the owners, a union leader's responsibility is not solely to the members of his union.**

Among the requisites for statesmanship is tolerance. I know the word "tolerance" has come to have an unpopular meaning when used in certain ways. The word sometimes connotes toleration—putting up with something unpleasant. I do not use the word in that sense.

I use it in the sense of patience and understanding.

We sometimes speak of a machine having a certain "tolerance," that is, a specified allowance for error or for variations from the standard.

What I mean by "tolerance" is the disposition to understand and make allowances for the beliefs, practices, or habits differing from one's own. In short, it is the willingness to admit that there may be more than one viewpoint, honestly held, respecting a given situation.

MANAGEMENT'S MISTAKES

In the specific field in which both labor and management are concerned, I would, if I were in labor's position, be more tolerant of the beliefs, practices, and habits of those on the management side of the table. I would try to make myself realize that management makes mistakes. Sometimes they are made deliberately by supervisors who do not share top management's views regarding labor relations, but in the overwhelming majority of cases they are honest mistakes.

I would school myself to make allowances for management's mistakes and not be hasty in

name-calling or in making insinuations. These acts do not solve problems; they only aggravate them.

Do not always look for an ulterior motive. It may be just a plain garden variety of boner. Unions make mistakes too and since labor expects tolerance from management, it should be prepared to practice it also.

I would try to understand why management makes mistakes, and once I understood that, I believe I could be helpful to management in preventing the same mistake again.

I would try to understand, for instance, that the average large corporate employer has a very complex organization, one that is usually trying hard to meet the demands of a very sensitive and discriminating public. **Management today carries an enormous work load which sometimes results in the short-cutting of human relations problems.**

COMMUNICATIONS

I would also try to understand and be tolerant of the communications problem which confronts the management executive exactly as it frequently confronts, and sometimes frustrates, the union executive. I would try to realize that top management in some instances has much the same difficulty in getting across its ideas of good employer-employee relations to lower levels of supervision as does the top brass of union leadership in relation to its various locals and their members.

And finally, I would be tolerant of the small number of strong-minded and perhaps well-meaning individuals in the employer group who are unable to learn or to follow modern labor-management relations. I would not permit an annoying incident or experience to spark serious labor strife. Remember, the statesman must keep his head and avoid involvement in side issues which do not lead to the major goal.

Yes, if I were a union official I would learn the lesson of tolerance. I would teach myself to be patient and understanding

with management's mistakes to the same extent that I would expect management to be tolerant of the union's mistakes.

And now if I may assume that labor is going to be more tolerant of human errors, even those of management, I will move to another, and possibly more important aspect of labor statesmanship, which I refer to as "economic responsibility."

LABOR'S OBJECTIVE

I do not deny that there may be cases where an increase of wages is justified—such as where wage rates are out of line with wages paid for the same work by other employers similarly situated, or where there are recognized inequities among job classifications. But, I ask labor to recognize that the true measure of wages is not dollars themselves but what those dollars will buy in food, clothing, shelter and some of the luxuries of life.

In other words, labor should make its objective real wages rather than dollar wages. It is entirely proper for labor to press for higher wages in order to improve the standard of living of the American worker. No one wants more than I do to improve the standard of living of every American. But we must remember that the only way to raise this standard generally is through increased productivity. When wage increases outstrip productivity, the inevitable result is a spiral of increasing prices which we call inflation.

Responsible labor leaders should be just as interested in preventing further inflation in this country as any other segment of our society. Certainly the working man has much to lose from inflation and his leaders have a grave responsibility here not to sell out his long-term welfare by demanding wage increases which cannot be justified.

However, labor must realize that all of the awards of increased productivity are not automatically the property of labor. The investors who have put their money into the business enterprise to make possible the

purchase of more efficient machines and equipment are certainly entitled to their rightful share.

Likewise the public, the customers who buy the product, must benefit by a reduction in price. I do not know exactly how these rewards should be divided, but I would not, if I were a union leader, insist on an unreasonable share for labor. I would work intelligently with management to arrive at a satisfactory and fair division.

Organized labor has a big voice in determining whether or not disastrous inflation can be avoided in the United States. The alternative is easy but it leads to destruction of our economic system and the end of the labor-management relationship. Here is a great opportunity for labor statesmanship.

THE STRIKE

For my final suggestion: If I were an official of the International Brotherhood of Electrical Workers, for instance, I would urge my constituents to voluntarily give up the right to strike against a public utility employer.

I would sit down with management and help write the strongest no-strike clause that could be conceived by the human mind—one that was final and absolute.

I would also set in motion whatever would be necessary to discipline any member of the union who advocated or participated in a wildcat strike, and I would enforce that discipline regardless of the circumstances or the consequences.

In other words, I would make it absolutely unprofitable, if not impossible, for a public utility employee to engage in a work stoppage of any kind at any time.

I realize that if a union is asked to surrender voluntarily its right to strike, it has a right to demand some forum before which it can present its grievances, its wage demands, and its contract proposals.

I am not so naive as to suggest that all utility managements everywhere are benevolent or

(Continued on page 31)



Washington Report

for SUPERVISORS

BY SAMUEL IRISH

THE big spot news from Washington has been President Eisenhower's state-of-the-union message to congress, followed by the series of specific programs, submitted in writing.

All of this was against the big background news of the Democrats taking over control of the congress with a Republican administration in power. It could happen only here. As with so many things in our unique American political system, it works much better in practice than it sounds in theory. Or at least it has in the past.

WAGE PROPOSALS PLEASE FEW

Of direct concern to supervisors is the President's proposal to up the minimum wage for the twenty-three or so millions of workers whose jobs can be said to have an effect on interstate commerce. The President recommended amendment to the Fair Labor Standards act to raise the present minimum of 75 cents an hour to 90 cents an hour.

This proposal appears to have pleased very few persons or groups, except of course officials in the Department of Labor. They made the findings and recommendations on which the amendment is based.

On the one hand, the United States Chamber of Commerce, the National Association of Manufacturers, and other groups of employers have opposed any extension of the idea of wages based on Washington fiat.

Anticipating some such move, (it had been forecast for some time by Secretary of Labor

James P. Mitchell) the Chamber of Commerce prepared a fairly elaborate and fairly convincing study in pamphlet form on the subject which has had wide distribution in the Capitol.

On the other hand, labor groups express themselves as disappointed because the proposal doesn't go far enough. They feel "the mountain labored and brought forth a mouse."

Sparked by the CIO, Labor (with a capital "L") wants \$1.25 an hour. Even the most moderate labor spokesmen protest that President Eisenhower's program is a compromise between the Chamber of Commerce—National Association of Manufacturers' position of no extension of the present 75 cents and of labor's demands.

These spokesmen assert the 15 cent increase barely compensates workers for the rise in the cost-of-living which has taken place since the 75 cent figure was set by the 81st Congress in 1949. By no stretch of reasoning or economics, they say, does it give labor any share of the increased output of the American economy that has taken place in the past five years.

In other words, all the Eisenhower proposals would do, it is asserted, is to make labor stand still in the economic progression.

The foregoing overlooks a highly significant fact: relatively few workers get the 75 cent minimum. Most of them get more—more than the proposed 90 cents.

This column will go out on a limb and make a prediction,

something our readers usually are spared: **the Fair Labor Standards law will be amended to establish the minimum at \$1.00 an hour. It also will increase the number of persons covered by including retail and service workers.**

\$2 BILLION PAY FOR NO WORK

Here's a follow up on articles in the January *MANAGE* dealing with the controversial issue of raising unemployment compensation. Figures recently released by the Bureau of Labor Statistics show that nearly \$2 billion was doled out in jobless pay last year. This figure marks a substantial increase over last year and is the highest on record. It is not, however, wholly the result of the rise in unemployment during the year.

As pointed out in this column last month, the 83rd Congress extended jobless insurance coverage to nearly four million additional persons. Benefits also increased, on the average, by more than \$4 a week to approximately \$25 a week. That \$2 billion in purchasing power unquestionably had an effect on business as well as on the jobless themselves.

POLITICAL STEW

All the talk of cooperation is fine, and in this column's opinion it is genuinely sincere. But the basic political facts of life must be kept in mind. The next election in 1956 is a presidential one. The highest political prize in the entire world is at stake: the post of chief executive of

(Continued on page 33)

MANAGE February 1955

THE NAF THIS MONTH

News Items from 321 West First Street, Dayton, Ohio

MARION N. KERSHNER, formerly of Armco Steel Corp., Middletown, O., was named NAF Executive Vice-President at the January meeting of the national Board of Directors in New York.

GORDON R. PARKINSON of Trans World Airlines, Inc., Kansas City, Mo., became NAF national President as Kershner took the Executive Vice-President post. Parkinson, elected NAF First Vice President at the annual election last September, is TWA superintendent of flight planning.

T. I. RENSHAW of Lockheed Aircraft Corp., Marietta, Ga., was elected First Vice-President to succeed Parkinson. THOMAS HAND, Cohart Refractories Co., Louisville, Ky., was elected Zone E Vice-President replacing Renshaw.

The NAF Board of Directors unanimously approved, in New York City on January 29, a new-type MANAGE Magazine to make its debut in May, succeeding the present publication. It will be pocket-size, 64 pages and contain many new editorial features. The new magazine is expected to be received enthusiastically by its readers.

SIX NAF SECRETARIAL AND CLERICAL staff employees are sporting five-year service pins. They are Mrs. Mary Thalman, Mrs. Florence Grubbs, Miss Ardel Follick, Mrs. Ruby Pyle Helmick, Mrs. Mary Wilmoth and Mrs. Henrietta Foley.

MARCH 1 HAS BEEN SET as the "coming out" date of the first issue of the monthly NAF Newsletter to NAF club presidents.

FOR THE FIRST TIME in NAF history, officers of three area councils met to discuss club education programs, civic activities and regional conferences. Thirty-three officers of the Northern Ohio, Southwestern Ohio and West Virginia Coal councils met in Cincinnati on January 15. C. E. Nelson, NAF area manager, coordinated the meeting which he termed "highly successful."

MANAGER OF NAF CLUB SERVICE and promotion Raymond F. Monsalvatge has been named first vice-president of the Dayton Museum of Natural History, which recently launched a campaign to raise \$200,000 for improvements.

STAFF SECRETARY Jean B. Adams will participate in a National Office Management Association (Dayton chapter) panel discussion on "Office Management Improvement."

ROCKY MOUNTAIN MANAGEMENT CLUB, Denver, is conducting a Management Development Institute February 24-25, under the direction of Dr. William Levy of the NAF staff.

AT PRESSTIME, REGIONAL CONFERENCES scheduled for Spring, 1955, had hit an all-time high of 16. They are as follows: St. Louis, February 12; Battle Creek, February 19; Chicago, March 12; Portland, Ore., March 12; Parkersburg, W. Va., March 12; Birmingham, Ala., March 19; Lima, O., March 26; Middletown, O., March 26; Lafayette, Ind., April 29; New York City, April 16; Charleston, W. Va., April 16; Los Angeles, April 23; Cleveland, April 23; Wisconsin (city unannounced), April 30; Buffalo, N. Y., May 14; Tulsa, May 15-16-17.

"MANAGEMENT'S NEW FRONTIERS" has been selected as the theme of the 32nd Annual NAF Convention to be held in Fort Worth, Texas, September 28-29-30.

It's KOKOMO Again

Editor's Note: This is the second time this award has been won by the Kokomo Foremen's Club. They won it in October, 1954, for considerably increasing the turn-out of voters in the city of Kokomo, for sparkplugging a Red Cross drive to success, and for offering statistical data to prove how NAF participation helped a Kokomo club member better himself on his job.

It is significant that no other NAF club has ever won this Management Team of the Month Award twice, although any affiliated club may send in an entry, based on different accomplishments, as often as desired.

To the Editor:

I nominate the Kokomo Foremen's Club for the honor of "Management Team of the Month" for the following reasons:

Our Kokomo Foremen's Club members not only practice the NAF Code of Ethics, they enlarge on it.

The number one principle of the club is "Recognition of every man's inherent desire to do good work." Our members strive to do a "good day's work."

They feel it is part of their job to continually practice and demonstrate safety.

They do this in many ways, but primarily by setting a good example. According to available records, none of our 740 club members has had a disabling injury in the past two years.

In one of our plants the safety policy was based upon decrees issued by management. It was enforced by penalties. In the time this policy was in force, between 1943 to 1951, this plant averaged 17 disabling injuries a year.

Obviously this was a deplorable record. Something had to be done.

That's where the NAF came in.

Recommendations based on NAF principles and ideas, which had been developed at conferences, training schools and other club activities, and suggestions from club members themselves were used to mold an entirely new safety program.

Safety was promoted in the plant by salesmanship, training, cooperation, face to face contacts and close followups.

As a result the number of disabling injuries among employees has dropped from the old average of 17 to seven in the past three years.

But that's not all. The number of lost man-hours under the old policy was approximately 600 man-hours per accident. Thus the potential savings per year will amount to 6,000 man-hours if the same progress or better can be maintained under the new program.

At another plant here members of our club have developed a similar trend. The plant has won seven National Safety Council awards and a 1,000,000 man-hour plaque. Foremen at

this plant have been very active in club conferences and training activities.

At still another plant the NAF helped to establish a new safety record. A club member got some ideas when he attended an NAF Management Unity Seminar in Dayton, Ohio. With these and other ideas and suggestions picked up on plant visitations, he and other members of the club were able to set a new record of no disabling injuries in the past three years. This same plant had three disabling injuries in 1951. So members estimate they have saved 3,000 man-hours to date.

We feel very few of these achievements could have been made without training and guidance from NAF and the contacts and work within our city club.

We could give pages of examples but we realize only a few can be stated here. We hope you too can resell the proper safety attitude and save your employees and your company the injuries, heartaches and dollars just as our members strive to do.

*Charles M. Coe, President
Kokomo Foremen's Club
Kokomo, Indiana*

MANAGEMENT TEAM OF THE MONTH

Roll of Honor

March	Formica Foremen's Business Club
April	Nickey Brothers NAF Management Club
May	Convair Pomona Management Club
June	Kelvinator Management Club of the American Motors Corp.
July	Grayson Administration Conference
August	Syracuse Management Club
September	Convair Management Club of San Diego
October	Kokomo Foremen's Club
November	Apex Electrical Supervisors' Club
December	Maytag Management Club
January	Foremen's Club of Post Cereals
February	Kokomo Foremen's Club

How would have solved this?

NEW DEADLINES SET FOR ANSWERS TO PROBLEMS. To permit more participation in "How Would You Have Solved This?" two problems are being submitted in this issue. In order to be considered for cash awards and certificates of special citation:

Answers to February Problem #1 must be postmarked not later than February 28, 1955.

Answers to February Problem #2 must be postmarked on or before March 20, 1955.

Winners of February Problem #1 will be announced in the March issue of **MANAGE**. Winners of February Problem #2 will be announced in the April issue. Address your solutions of no more than 500 words to Editor, **MANAGE**, 321 W. First Street, Dayton 2, Ohio.

HERE IS SUPERVISORY PROBLEM NUMBER 1 FOR FEBRUARY

Sam had been promoted from chief welder to line foreman a year and one-half before trouble struck. Sam was well liked, knew the men, their jobs and their habits. Usually their production was more than satisfactory. However, when Harry joined the group, production dropped off.

Sam grew worried. In his attempt to determine the cause he found his men were gambling. But he had no way of proving it.

The men would gather in a curtained welding booth, post a lookout and have a few rolls of dice. The booth was located so that it prevented an indirect approach. When Sam started toward the booth the lookout would give his warning and the game would stop.

Sam realized the lack of production was enough to put his job in jeopardy, to say nothing of the possible results of the gambling. How would you have solved Sam's problem?

(Remember the deadline Feb. 28, 1955)

MANAGE February 1955

PROBLEM NUMBER 2 FOR FEBRUARY

The Revac Mfg. Co., had adopted a job evaluation system. Each job had been carefully described, classified and assigned an appropriate hourly rate. Then in an attempt to develop versatility in the supervisor force Revac initiated a policy of job rotation among their production supervisory employees.

The rotation policy reversed the positions of Andy and Hank. Andy, in examining the personnel records maintained by Hank, discovered that 15 of the hourly rated employees were classified under the highest pay rate in the department.

Continuing his examination Andy discovered that 10 of the 15 were not engaged in work meriting that classification and had never qualified for it. He also learned that Hank had reclassified the ten in an attempt to build a loyal work force. Andy, who realized the error of Hank's judgment was confronted with taking corrective action.

Should he change the classification of the 10 employees to the correct one, which is lower? Or should he continue to carry them on their incorrect classification? What would you have done?

(Remember the deadline March 20, 1955)

HERE WAS THE SUPERVISORY PROBLEM FOR JANUARY

Pete and Bill, who are both in their early 30's, are employees of Fordyce Inc., in a west coast city. For all practical purposes, they both have equal abilities and are liked by their co-workers.

Mergatroid, their general foreman, was required to select one of the two as his assistant. He chose Pete.

After approximately six weeks, Mergatroid found out that he had selected the wrong man. The indicated qualities of leadership he had seen in Pete were purely on the surface and when faced with the day-to-day activities of a line supervisor, he became irritable and slowly became harder and harder to work with. The pressure of his job was causing Pete to make wrong decisions.

Something must be done to correct the situation. Would you replace Pete with Bill? Transfer Pete to another area? Take Pete aside and talk to him like a father? As a man of management, how would you solve this problem?

JANUARY WINNERS

Following are the best "solutions" to the supervisory problem of the January issue. The persons who wrote them have received checks for \$10.00 each and a handsome two-color Merit Award certificate for framing.

(Continued on page 22)

HOW WOULD YOU SOLVE THIS?

(Continued from page 21)

GUIDANCE REQUIRED

By E. F. Diedrich, Ethyl Management Club, Ethyl Corp., Baton Rouge, La.

Pete and Bill—conscientious, likable, both within the same age group, both with the same experience and both apparently capable. However, in spite of such similarity, Mergatroid, their general foreman, picks Pete over Bill.

Faced with a decision which would reflect his own ability as well as his leadership, Mergatroid must have weighed his choice heavily. He saw qualities of leadership in Pete and picked him. That was wise because any qualities of leadership shown in every day routine are proof of ability or at least understanding of the situation.

Mergatroid, himself, is not too outstanding as a leader, if after six weeks he loses faith in Pete and considers some drastic measures to change the situation. He convinces himself that he made a wrong decision although he has no reason to think that Bill would have acted any differently if he had been chosen.

It is highly important for Mergatroid to realize that Pete has been placed in an unfamiliar situation. Pete was not prepared for such a change and he needs guidance. He needs help in planning, help in the placement of the men under him, help in timing and scheduling.

If I were Mergatroid I would do my utmost to work with Pete and train him for the job. I would tactfully talk over job problems with him and help him to smooth things out. Pete has had no experience in line supervision, but with this help I feel quite sure the "wrong decision" could be developed into a top notch line supervisor and a good right-hand for Mergatroid.

STICK WITH PETE

By Bill S. Rakos, Inland Steel Co., Indiana Harbor, Ind.

The choice has been made. You don't just take men off and on positions until you have exhausted all means of correcting the situation. After all how do we know that Bill would hold up in the same job under the same pressure? There is no guarantee that an error has been made.

Assuming that Mergatroid, as a general foreman, is capable of making decisions as he did in this case we must go along with his choice of Pete and not give up so soon.

Both men, as stated, had equal qualities, yet Mergatroid took Pete.

Why? He must have seen something just a bit extra in Pete. You don't just toss a coin to decide an issue like that.

The problem may not be solved absolutely, because some men just aren't capable of leading others. But it is definitely in line for Mergatroid to call Pete in for a conference on the situation. Mergatroid should sit down with Pete and tear the job apart bit by bit. Is Pete trying to assume too much work at one time, rather than tackling each problem separately as it comes up? Does he lack confidence and need assurance? Is he afraid to make decisions out of fear that his superiors may reverse him? Is he being compensated for the responsibilities? Has his home life been affected by the new job? In short Pete may need supervision himself.

Maybe it would be wise for Mergatroid to review with Pete at the end of each day all the problems that have arisen and what has been done about them.

Only when these questions have been answered can Mergatroid begin to consider his decision. Even then if he must remove Pete it is possible he could find something else for him in another department where he can make good under different conditions and circumstances.

TALK TO PETE MAN-TO-MAN

By Joe L. Metcalfe, Lima Management Club, Lima, Ohio

There is a mistake to correct here and obviously the general foreman, Mergatroid, made it. He only considered the abilities of Pete and Bill as workmen and how well they were liked by their co-workers. It's true this is very important, but if Mergatroid had checked into their past experiences and training in foremanship, the solution might have been different.

I do not feel six weeks on the job gives Pete enough time to prove himself. Mergatroid must get behind Pete and find out what his problems are. He must see to it that Pete is advised and trained to cope with the problems that come up.

We realize that the step into foremanship is a very big one and that the outlook to many things is considerably different. You don't do this overnight.

Now Pete may be discouraged at this point. But with a little man-to-man talk and help Mergatroid can still get the man he hoped for when he gave the promotion to Pete.

HONORABLE MENTION — Calvin L. Beal, Westinghouse Electric Corp., Lima, Ohio; C. E. Crouch, Hudson, Mich.; Robert M. Harr, Los Angeles, Calif.; Billie D. Lundy, Victor Nashville Management Club, Nashville, Tenn.

The names of persons and companies and the incidents described here are fictional and any resemblance to persons living or dead or companies now in business or companies in existence in the past is purely coincidental.



APRIL 4-8, 1955

Management Unity Seminar

Dayton, Ohio

MAY 18-21, 1955

Board of Directors Meeting

Denver, Colorado

JUNE 6-10, 1955

Management Unity Seminar

Dayton, Ohio

AUGUST 22-26, 1955

Management Unity Seminar

Dayton, Ohio

SEPT. 28-29-30 OCT. 1, 1955

32nd Annual NAF Convention

Fort Worth, Texas

OCTOBER 17-21, 1955

Management Unity Seminar

Dayton, Ohio

DECEMBER 12-16, 1955

Management Unity Seminar

Dayton, Ohio

STRICTLY BUSINESS

by McFeaters



"When are we getting delivery on the new lift trucks?"

MANAGE February 1955

"Span of Control"

By WAYNE G. BROEHL JR.

Assistant Professor, Amos Tuck School of Business Administration,
Dartmouth College.

WHAT does the term "span of control" mean to you?

In industry today it is often thought of as being either "tall" or "flat."

Every occupation has its own lingo or jargon—expressions that in many instances have been oversimplified to the point that they are misunderstood and misused. The use and misuse of "span of control" is a case in point.

The notion that an executive can effectively supervise only a certain number of subordinates is nothing new. Ask any management man what he believes

the ideal span of control is and you will get immediate and quite specific answers. Ask why, though, and you probably will have to wait for the answer. And the one you get may not be so specific.

The theory runs as follows: An executive must keep three relationships in mind in supervising his subordinates: First, direct single (executive to each subordinate); second, cross (relationship of subordinate to subordinate) and third, group (relationships of groups of subordinates to each other and to the executive).

As the executive increases the number of subordinates reporting to him, the relationships begin to add up rapidly.

For example, there are basically ten relationships that the executive must consider if he has three subordinates. For six subordinates the number jumps to 78, and for ten subordinates up to 1,068.

In other words, as the executive increases his subordinates arithmetically, the relationships increase geometrically. Therefore, reasons the executive, there is a point where the span of control becomes too great. Perhaps a span of from three to seven subordinates would be the optimum.

This concept can lead to some serious oversimplifications. For example, the type and level of these relationships are not constant. Supervising a group of operative employees is much

simpler than supervising an equal number of subordinate executives. When a "three to seven" figure is stated, it almost always implies a span of executive control. A span of operative control might logically run up to 30 or more.

But even confining the discussion to the span of executive control, the concept can be badly manhandled. One executive with seven subordinate executives can be badly pushed to maintain control due to the complexity and diversity of the seven jobs while another executive with seven men reporting to him can loaf through part of the day because their problems are all the same.

In other words, the nature of the jobs, the diversification of the tasks and even the caliber of the executive and the subordinates affects the ratio.

Recent trends for extensive delegation of authority and responsibility downward in an organization have worked some interesting changes in the beliefs concerning the span of control.

In effect, delegation "reduces" the relationships. The executive provides overall planning and control but delegates specific application.

A number of companies have made far-reaching changes in the control ratio. One company now has one major executive supervising 42 middle management men. The followers of centralization of authority and a narrow span of control have been dubbed "tall" organizations. The delegation and wide-span advocates become "flat" organizations. Both can be highly successful.

The point is that there is no single "best" span of control; there are many, each serving a specific situation.

T
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or FLAT

*It's getting more and more difficult
for an applicant to talk his way into a job.
Now he gets "weighed" in*

The INTERVIEW

*. a new technique in
personnel evaluation*



Photo courtesy FORWARD, The Dayton Power and Light Co.

"The INTERVIEW" is the first of a series of three articles about the use and importance of new techniques in personnel evaluation which have been developed as a means of assisting management in placing the right man in the right job. Next month's issue of MANAGE will contain an article by Lloyd N. Cook, personnel manager of The Denison Engineering Co., Columbus, Ohio titled "Selling Management on Psychological Tests." A third story in the April MANAGE will deal with the "Case of the Overqualified Employee."

"OF all the methods of personnel selection, the interview is the most widely used," reports a national psychological research organization.

"However, universal acceptance does not guarantee accuracy or reliability. Numerous studies have found the employment interview to make little prediction of an applicant's future job success. Now, new scientific techniques of personnel evaluation have been developed to make the interview a better forecast."

The cost of hiring, at the rank-and-file level, is about \$300 per applicant. This includes recruiting expense, interviewing, testing placement, orientation, training, and supervising the new employee, until he reaches a level commensurate with his wages.

Every turnover the company has is thus a minimum debit of \$300 at the rank-and-file level and \$1,000 or more at the key personnel level.

Further, during his average working lifetime, an employee will be paid an average of \$100,000 in direct wages, welfare, and retirement benefits.

An investment decision of this magnitude in other departments of a company would be given very close scrutiny and consideration. Investments of this amount, however, are made on new employees every day, and often on a subjective and unscientific basis.

What can management do in this problem of predicting the selection of employees? The national research organization points out three methods by which the interview can be made a more predictive instrument:

Weighted Application Blank

The trend in the application field is toward the multiple-

choice, weighted-application blank.

This blank consists of a series (over 100) questions set up in multiple-choice form. The applicant is asked a question and is given a choice of four answers. He selects the answers which describe him.

Each of the four answers is assigned a weight. Thus the applicant is given a score based on the weight of his answers.

In this way the applicant's blank can provide a structure of biographical data for the interviewer. With the application information, the interviewer can tentatively plot (subject to his interview confirmation) the applicant's qualification level for: job stability, job experience, educational background, financial maturity, health-physical condition, family background, domestic situation and outside activities.

This pre-interview analysis tends to make the interviewer more objective. It makes him less biased in his judgments, less prone to be emotionally influenced by the face-to-face discussion with the applicant. He is not as likely to believe the applicant in terms of saying what he can do versus what he has actually done and not as inclined to "type" the applicant on the basis of some physical characteristic. In other words it tends to prevent "matching men, and prejudices, instead of men and jobs."

Personnel Tests

Personnel tests are a necessary complement to the application blank and interview, and should precede the final placement interview.

In most instances, they measure traits which cannot be determined by a face-to-face discussion with the applicant (e. g., perception aptitude in clerical

employees, coordination aptitude in mechanical workers, extroverted personality in sales personnel).

They also provide a more accurate, reliable, and objective measure of basic psychological traits important in specific job areas.

Structured and Non-Directive Interview

The weighted-application blank and personnel tests supply the interviewer with a good amount of information about the applicant.

The interviewer applies two approaches in the actual interview situation. First, he uses the "patterned" or "structured" interview—a direct questioning method to complete the biographical information about the applicant.

He then begins the "non-directive" approach. This technique is basically a psychiatric and clinical psychology method. It allows the applicant to talk freely, dominate the interview, and thus reveal inner information about himself of value in predicting his attitudes. The interviewer's conversation consists of such phrases as "I see," "Uh-huh," "Go-on."

Integrating the weighted-application information, his interview observations, and the personnel tests, the interviewer arrives at the qualification level of the applicant for the proposed job.

If the applicant qualifies, the interviewer makes telephone and reference checks on the accuracy of the applicant's information. He informs the applicant about the details of the job, so that the applicant does not feel it was misrepresented.

The end result is a more objective and accurate forecast of the applicant's chances for successful performance on the job.

*Watch for the Second Article in this Series
in the March Issue of MANAGE*

You don't change people simply by issuing orders

You've got to take

A POSITIVE approach to supervision

. . . . with more consideration for basic
human relations

BY CARL R. BRICK

(Manager of Training, Borg-Warner Corp.)

as told to

Phil Hirsch

"IF anything is to be accomplished, something has to be done." Sounds pretty obvious, doesn't it? Yet, there's a lot to that phrase that isn't apparent the first time you look at it.

In your job as foreman, you're dealing with people much of the time. These people have beliefs, ideas, opinions. Another word for all three is "property." For, just as surely as a man will take steps to prevent his car from being stolen, or his home from burning, he will protect his ideas, beliefs, and opinions against destruction.

To get someone to do something, you don't have to argue with him. You can get his ideas, beliefs, and opinions to work for you. Whether the other person argues or cooperates willingly depends to a large extent on how you handle his emotional "property."

In getting the other person to do what you want him to do, there are several ground rules which, if observed, will make the job a lot easier. First, you have to recognize the other person as an individual. He may believe the earth is flat, but if you're trying to convince him the earth is round, you won't get anywhere by laughing at his belief.

No man is born with any particular set of ideas in his head. The worker who punches in late continually, for example, wasn't predestined to cause trouble. He acquired the habit through a process of reasoning.

PULLING RANK

The foreman who tells such a worker, "You've got to come to work on time, or else stop coming to work at all," is ignoring this fact. By "pulling rank," the foreman is admitting defeat. For he's telling the worker, in effect: "I can't change your reasons for coming to work late so I have to use my authority over you."

Everyone resents being forced to do something they don't want to do. That's one of the reasons dictatorships never have been very popular. "Clubbing" a man into coming to work on time may work. That is, his tardiness may stop. But it's a good bet he'll cause trouble in other ways. He may lie down on the job, spread malicious rumors about the foreman, or pick a fight with fellow workers.

In most instances these difficulties can be avoided if you try to find out why a man is doing something wrong. Most human actions, beliefs, and opinions are actually conclusions, based on a set of facts. If the conclusion is wrong, one or more of the

facts also is wrong. To change the action, belief, or opinion, it is necessary to replace the incorrect facts with correct ones.

You probably are saying, at this point, "But how can I make the other person see that his facts are wrong and mine are right?" It's a tough job, at times, I admit. But, and this is important, it can be done.

This is obvious when you realize that the other person's wrong action, wrong belief, or wrong opinion came from his acceptance of certain facts. Some of these facts he observed himself, and some he picked up from other people. If he has been convinced this way once, he can be convinced the same way again.

People usually won't accept a new idea unless they can see for themselves that it is valid. In other words, it seldom does any good to tell a subordinate: "This is so, believe me."

SHOW ME

Fortunately, in the United States, most of us think our opinions are as good as the next fellow's. One of the reasons this nation is great is because, within most of us, there is an attitude that can be summed up by the phrase, "I'm from Missouri."

Although practically everyone has an opinion on a certain subject, no one knows everything. Some people know a little about a few things. Some know a lot about a few things, while others know a little about a lot of

things. Everyone of us lacks facts on some subjects. Before attempting to change the other person's mind, you should find out what he knows, and especially, what he doesn't know. Presenting these unknown facts can often put the other person on your side.

You may not get very far, however, if you merely present the other person with a new fact that shows why his action, belief, or opinion is wrong.

You can tell the worker who punches in late, for example, that the plant manager knows about his tardiness. If you leave it at that, the worker may keep on coming in late. You may spell this fact out by telling the worker the plant manager has fired tardy workers in the past. You may point out that losing a job makes it harder to find a new one, and that without money the worker's family suffers as well as himself, and still not get the worker to his job on time the next day.

The reason for this: people cling to their actions, beliefs, and opinions like a drowning man clings to a piece of driftwood. The drowning man won't leave the driftwood until someone throws him a life preserver. And most people won't abandon their own beliefs, opinions, and ideas unless they can do it gracefully, without losing their self-respect.

This business of getting the other person to do what you want him to do without making him feel that his self-respect has been damaged, may sound impossible. But there are at least two ways of accomplishing it.

HERE'S THE TRICK

One is to present your facts in such a way that the other person thinks they're his. I know a supervisor who persuades an awful lot of people just by asking questions. Not long ago, for example, he noticed a worker on an assembly job who wasn't holding a tool properly. The supervisor said: "Look, how would it be if you held the tool this way? It may

not work, but let's see anyway." Meanwhile, he had changed the position of the tool in the worker's hand.

The supervisor knew very well that with the tool in the new position, the worker could do a better job. But he recognized that the worker had to feel the change was his own idea. By making it appear they were both learning something new, the supervisor accomplished his goal without making the worker conscious of his own lack of ingenuity.

This business of self-respect is a complex thing. If there is one other word to describe it, that word probably is "pride," pride in your ability to do a job, pride in your appearance, in your machine, and in your economic position. When a worker punches in late, when he's absent too often, when his production falls off, when he gripes or quarrels with his fellow workers, there's a reason. But often the worker won't admit it to anyone. That would be damaging to his self-respect. Sometimes he won't even admit it to himself.

He may be having problems at home, for example, or he may be sore because someone else doing the same job received a raise and he didn't. But the worker doesn't "talk it over" with his foreman, or with anyone else. He feels injured, and tells himself, "They'll have to come to me because they were at fault in the first place."

RIDICULOUS SITUATIONS

These emotional problems have their ridiculous side. A man who's angry at his wife, for example, may transfer the animosity to a fellow worker or a foreman at the slightest provocation. If the foreman, out of an honest interest in the man's work, looks over his shoulder for a few minutes, the worker is likely to tell himself that the foreman "is spying on me." Actually, the worker is finding another target for the anger he feels toward his wife.

What can the foreman do in a situation like this? He can't

hope to know on what mornings which workers will awaken on the wrong side of the bed. And he can't be expected to accept infractions of discipline just because the man is having trouble over which the foreman has no control.

The key to this problem is the worker's self-respect. He knows, although he won't admit it, that he's not entirely right. No matter how many reasons he may have for being angry at his wife, he knows, deep down, that all the blame isn't on her side. By "taking it out" on the foreman, who has no connection with the original argument, the worker is merely looking for new reasons to justify his anger in the first place. For, if he can justify the anger, he'll be able to say, "I'm right, everyone else is wrong."

Another way of stating this is to say that secretly the worker feels he's lost some of his self-respect. Although he won't admit it, he's ashamed of at least some of the things anger has made him say and do.

But, trying to regain your self-respect when you're still angry is like trying to win in a crooked card game. The longer you stay in the game, the more money you lose. Likewise, the harder a man tries to justify his anger—regain his self-respect—the more people he antagonizes and the more self-respect he loses.

If the foreman tells the worker to "quit causing trouble and get to work," the problem will almost surely become worse, instead of better. The worker would say that he wasn't responsible for the trouble in the department. He would say his wife was responsible, because she got him angry in the first place.

The worker, of course, realizes that he's not being quite fair to his wife. He is aware of the fact that just because they quarreled, he doesn't have to quarrel with someone else. As a result of this, the worker again senses that he's wrong, and loses more of his self-respect.

(Continued on page 34)

What's **NEWS** Among NAF Clubs

The American Airlines Administrative Association, Tulsa Overhaul and Supply Depot had an assignment right in line with NAF's big objective: training. The club was asked to arrange a training program on the maintenance of airport facilities for a group of nine foremen from Iceland. Club members saw to it that the visit was both educational and enjoyable. They arranged tours of American's overhaul shops, airport facilities and Tulsa industries, took them to church, bowling, out to see the wrestling matches, museums and a night club.

Here's how the Douglas El Segundo Management Club tipped its hat to Chief Engineer Edward Heinemann when he was presented the "Collier Award" by Collier Magazine and made \$120 doing it. The club bought up 3,000 copies of the magazine, then the hucksters of the NAF sold them off at the plant gates.

The Management Club, Hughes Tool Co., Aircraft Division sold all available NAF pins in one night at a meeting where Al Brown, sergeant-at-arms, used two eye catching displays. The displays were enlargements of the pin itself set up by the club's badge rack where all the members could see it.

Officers of the newly chartered Red Lion Cabinet Co. Management Club are: Truman Koch, president; D. W. Royston, vice-president; James Craley, treasurer, and Dwight D. Daugherty, secretary. Glen Massman, former executive secretary of The Foreman's Club of Dayton Inc., spoke at the charter presentation meeting. Also attending were Donald Pauly, former NAF director, and Lewis J. Healy, NAF director.

The Lockheed Management Club of Georgia named Roy L. Simmons Jr., "Man-of-the-Year" at the club's annual Christmas party. Mr. Simmons was presented with a desk set by R. C. Sawyer, club president. Mr. Simmons was selected for his many contributions in building the organization and its activities.

John B. Johnson of the Watertown (N.Y.) Daily Times discussed the St. Lawrence Seaway project at a meeting of the St. Regis Foremen's Club of Deferiet. Past President Lawrence Lyman was awarded a certificate from the NAF and a past president's pin from the club.

"Patents and Their Functions" was the title of a talk by Elmer A. Buckhorn, Portland patent attorney, at a meeting of the Greater Portland (Oregon) Management Club.

Bob Feller, the Cleveland Indians' famed pitcher, told members of the Kokomo Foremen's Club about his career in baseball, demonstrated his pitching technique, and explained the various pitches and their effect on the batter.

Admission to the PAA Management Club's annual Christmas dance cost each couple a toy and two cans of food. The toys and food were donated to the "Lend-a-Hand" drive.

Frank C. Lyons, former public relations director for all five General Motors Corp., divisions in Dayton, O., succeeded Glen Massman as executive secretary of the Foreman's Club of Dayton on January 15.

A panel discussion on the "New Contract" was presented before members of the Spang Chalfant Supervisors' Association of Ambridge. On the panel were E. L. Crane, E. G. Unrath and William Phillips. S. H. Kilmer acted as moderator.

First annual Scholarship Award presented by the St. Regis Foremen's Club of Deferiet went to Jean and Joan Michalik, twin daughters of Emil Michalik, an employee.

How management organizes and efficiently runs the industrial enterprise



FOUR experts in economics, engineering, personnel, and administration show in this concise book how good management can be put to work to build new efficiency and profit into the industrial organization. They explain how to use today's methods of human relations, communications, and scientific planning to develop and control all operations of modern industrial companies. The book makes plain the structure of the industrial organization, and covers product development, plant layout, materials control, and a host of other functions vital to successful industrial management.

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A FENCE TO MEND

(Continued from page 10)

bone, the imports upon which the British worker has always depended for many of his basic necessities of life. So most of the things he needed were severely rationed; and many of the things he wanted were denied him completely, under export controls. Things like a new home or a car, or any of the household appliances that are so commonplace to workers over here, were hopelessly beyond his reach. And even if he had been able to buy an automobile, he would not have been permitted to drive it more than 90 miles per month!

LITTLE INCENTIVE

So he had little incentive to work more, to produce more, or to earn more. The luxury of leisure was far more attractive than time-and-a-half for an extra day's work; and it was the only real luxury left to him; for under the welfare state, he had learned a significant lesson: that no matter how little he worked, he would always be able to exist; but no matter how hard he worked, he would never truly be able to live!

Now all of this, of course, played hob with the British economy. Consumers grumbled their endless, and futile, complaints on all sides. Production lagged badly in the government's industries. Quality declined steadily; prices were hiked substantially in the domestic market; and still the mounting losses were charged up to the taxpayers. So the government faced continual crisis. It was always behind the eight-ball.

And thus it was that the union leaders also learned a significant lesson of their own: that men will work only for one of two reasons. They will either do so voluntarily in pursuit of the carrot; or they must be driven under the compulsion of the stick. And since the government had completely destroyed the carrot incentive, it had to resort to the threat of compulsion.

To this end, it armed itself with totalitarian powers which greatly curtailed the individual freedoms of the British people—freedoms that we have come to take for granted over here. It invoked labor controls which were far more drastic than any we have ever known—or even thought of—in the United States. It revived wartime powers which allowed it—among other things—to compel British workers to take whatever jobs it might assign to them. It even passed a law which said that British farmers could be dispossessed from their own land if they failed to manage it to the complete satisfaction of the Ministry of Agriculture.

GET IN LINE

Now it is true, of course, that these sweeping powers were sparingly used, if at all; but their very existence was enough to serve as a constant threat. So the British worker found himself shut in behind an iron curtain of laws, controls, and regulations. He filled out endless forms—in duplicate; he queued up for his daily bread, with ration book in hand; and he bought whatever it was that the government—in its wisdom—permitted him to have. But three great necessities of life which it never allowed him at all, were opportunity, incentive and hope!

And there is a brief, but factual case history of what happened in England when it surrendered its economic freedoms. Within the framework of their socialist philosophy, the leaders of the Labor government tried loyally and sincerely, I believe, to solve the many critical problems which confronted them, and to create a better life for their fellow workers. The fault did not lie with their intentions. It lay with their philosophy. And after six years of austerity and crisis, they were voted out of power—not by the owners of business, but by the only groups in England which had the political strength to do it—by the selfsame people who had put them into office in the first place—by

the workers, the consumers and the taxpayers. For these, you see, were also the people who had suffered the most—and lost the most—in their little blue socialist heaven.

So again we come back to the original question: Who does have the greatest stake in our American enterprise system? Is it the stockholder, with his dividend? Is it the worker who gets many, many times that sum, and enjoys the highest standard of living in the world? Or is it, perhaps, the consumer who reaps the blessings of competition and surrounds himself with every conceivable comfort and convenience of this modern age?

The answer, of course, is clear. Our free competitive economy is the only system in the world that richly rewards every segment of society; and that is because it is the only system on earth which truly belongs to all of the people. It is not the private possession of American business, nor of any other economic group—and it never can be. It is the property—and the responsibility—of every man and woman in this nation.

And if we can ever bring to our fellow men a true understanding of what this system means to them, to their children, and to unborn generations yet to come, then we may rest assured, I think, that American business will never again be called upon to "go it alone" in leading the fight against the forces of socialism in this country.

Industrial research will bring out a bumper crop of new products in 1955, according to Dr. Charles N. Kimball, president of Midwest Research Institute, Kansas City, Mo.

"Out of more than \$3,000,000,000 spent in industrial research last year, there will be hundreds of significant and important new products and new industrial processes introduced this year," Dr. Kimball predicts. "And the number will increase in subsequent years."

feeling sorry like

Pore Lil' Ole Me

By WILLIAM LEVY

*"I complained because I had no shoes until I met a man
who had no feet."*

THERE isn't one among us who, sometime or another hasn't felt that the world was against him, everything was wrong, and he was getting far more than his share of bad breaks.

This in itself isn't too bad. The trouble is, some of us make a habit of it and then you form the pattern of "pore lil' ole me." You think nobody, no nobody gets the tough breaks I do. I must be the original jinx. You feel sorry for yourself and start counting all your troubles instead of your blessings.

I believe it was John Patterson, the founder of The National Cash Register Co., who coined the expression, "Be guided by your admirations rather than your disgusts." This is a sound philosophy and I want to explore it further. First, however, I think it might be well to shift out attention to a few actual cases of people who could very well complain but don't.

You Think You've Got Troubles

I was talking to the chaplain of one of our midwestern prisons and he related the following incident:

"I was walking in the inner prison yard one morning after a difficult previous day and evening. Many unpleasant events had transpired which served to make me question very seriously whether I wanted to even continue my work at the prison. I was so engrossed with my thoughts and feelings of self-pity that I would have passed by without noticing one of the trustees who came toward me. He was a lifer who had served almost 30 years time with very little hope of future parole. As he approached me, he said, 'Good morning, father'. Unconsciously provoked at this disruption of my thoughts, I unwittingly and somewhat sharply retorted, 'What's good about it?' The lifer stopped in his tracks

and patiently replied, 'Any morning you get up to see is a good morning, father.'"

Twenty-five years ago, as an engineering student of Ohio State University, I looked forward each Sunday to eating my evening meal at a little restaurant that served good food and provided a quiet, relaxing atmosphere.

This particular weekend I felt as though no one could possibly have more trouble than me. No letter from the girl who was later to be my wife, our football team had lost the big game to our bitter rival and I had flunked an important mid-term examination.

I thought I could at least eat my meal in peace and have the questionable pleasure of brooding over my problems as I sat alone in the booth. This wasn't to be. In the middle of my meal, about 20 kids, eight to fourteen years of age, trooped into the restaurant. They proceeded to jar my eardrums with giggling, joking about "lamps" and bursts of laughter.

In a fit of irritation, I shifted to the outside of the booth with the intention of asking the kids to pipe down or to complain to the manager. Then for the first time I realized that the "lamps" they were joking about were their eyes. Everyone of them was blind.

What Trail Did You Leave Today?

The best antidote I can prescribe for a case of blues or self-pity is to concentrate on making someone else feel a little happier. There is no greater joy or pleasure than that of contributing to your fellow man.

Generally it costs you nothing more than a smile, a friendly greeting or a simple deed. Someone gave me a copy of a poem by Bill Carpenter. It deals so well with this subject and I like it so I share it with you.

MANAGE February 1955

*Is anyone the happier
Because you passed his way?
Does anyone remember that
You spoke to him today?
This day is almost over and
Its toiling time is through.
Is there anyone to offer, say,
A kindly word for you?
Did you give a friendly greeting
To the friend who came along?
Or a churlish sort of "howdy"
As you vanished in the throng?
Were you selfish, pure and
simple,
As you rushed along your way?
Or is someone truly grateful
For the deed you did today?
Can you say tonight in parting
With the day that's slipping fast,
That you helped a single person
Of the many whom you passed?
Is a single heart rejoicing
Over what you did or said?
Does a guy whose hopes were
fading
Now with courage look ahead?
Did you waste the day or lose it?
Was it well or poorly spent?
Did you leave a trail of
kindness?
Or a scar of discontent?
As you close your eyes in
slumber,
Do you think that God will say:
"You have earned one more
Tomorrow
By the deeds you did Today."*

IF I WERE A UNION OFFICIAL

(Continued from page 17)

even fair—although I believe sincerely that most of them are both. Therefore, I could not, in good conscience, suggest that you give up so valuable a right without full assurance that you will have a suitable alternative method of settling disputes.

Those labor officials who know me well must know by this time that I am no advocate of the type of compulsory arbitration which we generally find in collective bargaining agreements today.

I am not in favor of compulsory arbitration in any form if it involves the settlement of management-labor disputes by "disinterested third persons."

MANAGE February 1955

My greatest objection to this procedure is not that "disinterested third persons" are dishonest or incapable. My objection is, first, that they are disinterested. And, second that they are third persons—that is, outsiders who know little or nothing about our business.

If I were an IBEW official, I would want to find a way to settle management-labor disputes peacefully through some method where differences can be resolved fairly by persons who are:

(1) Interested in the welfare of both labor and management, and,

(2) Who are actually in our business. In other words, I would want to make my case before a forum which was both interested and informed.

I have no clear cut ideas as to how this could be accomplished, but I am convinced that it can be accomplished if both labor and management really want it. This far I can go: if labor people can develop a reasonable plan along the lines suggested, I pledge that our company will cooperate fully to make it a reality. And I further pledge that I will work earnestly and tirelessly among the executives in other companies in our industry to persuade them to join in and make it work. That is the way real progress can be made in the field of labor-management relations in our industry.

In the public utility field labor as well as management has a responsibility which transcends special interests—a responsibility to the public, which, to state an old cliché, "is bigger than both of us."

In modern society where any interruption of utility service causes severe hardship to the public, neither or us has any right to use economic warfare as a weapon for settling our disputes at the expense of suffering by the general public.

A better way must be found, and it is up to us to find it, not only because that will be real labor-and-management states-

manship but also because the public will not stand for much temporizing with the problem.

I sincerely believe there are few matters which cannot be settled between labor and management through the ordinary processes of collective bargaining if we give our best efforts to reach an honest and reasonable settlement.

If instances arise where we cannot bargain out a problem, I suggest the dispute be taken before a forum, consisting of those who are intimately connected with our industry and who would assure both sides fairness and impartiality—a forum which would help us solve our problems on the basis of what is best for both of us.

Once we have accomplished this, we can proudly say that both labor and management, in at least one industry, have grown up.

I BELIEVE

We believe in the NAF because it is composed of and representative of thinking men. Thoughts and ideas are intangible qualities but they are the motivating forces which make a man stand out from the crowd and spell his value to himself, his organization and the community. The ability to think comes from hard training, long experience, self-discipline and the willingness to work with faith toward a goal.

This appears to us as a special field of the NAF, which gives encouragement and help to train skilled men into thinking men. Throughout the various organizations in the country, there are NAF men being trained in the art of thinking to take over jobs of Management in future years.

For this tremendous contribution to the economic health of our country, the NAF deserves every support from business.

EDMUND T. PRICE
President
Solar Aircraft Company

MANAGE SERVICE BUREAU

New Products and Free Publications for Management Men

As another special MANAGE service, this section is being devoted to presentation of up-to-date information on new products and literature which will be helpful to you on your management job. Should you desire additional information on any product—or a copy of an advertised piece of literature—MANAGE will be glad to forward your request to the manufacturer.

Address your request to
SERVICE BUREAU, MANAGE Magazine, 321 West First Street, Dayton 2, Ohio.

NEW PRODUCTS

A SMALLER HAYDEN ADJUSTABLE DRILL

The acceptance by industry of the 2"-4" **ADJUSTABLE DRILL** coupled with an insistent demand for a smaller size drill embodying the same principles has led to the development of the new 1"-2" Adjustable Drill. With two sets of blades it can cut from 1" to 1½" and from 1½" to 2" diameter holes.

The drill finds its greatest value when used on drill presses and radials, where its balanced cut works ideally with the normal spindle construction of such machines. It can be used on such relatively inexpensive machines to relieve the load on jig borers or horizontal boring mills. It can also be used on milling machines, turret lathes and tool room or engine lathes, in fact any place where an occasional hole must be drilled and a complete set of solid drills represents an unwarranted investment. Even short runs on production jobs find this drill a cost cutter, for although the rate of stock removal may not equal that of a solid drill the investment in tools is less. Manufacturer is the **HAYDEN TWIST DRILL CO.**

MANUAL HANDLING EQUIPMENT

A handy, pocket-size catalog illustrating and describing its complete line of special manual handling equipment, is now available from the **KENNETT EQUIPMENT & MACHINERY CO.**

The free literature details such products as pin trucks, dye house trucks, conditioning trucks, platform trucks, dolly trucks, round cornered trucks, work boxes, and dozens of other examples of specially designed trucks, racks and containers. Products are manufactured out of stainless steel, monel metal, angle iron and aluminum. More than 40 different units are pictured together with complete specifications, construction and design features and application data.



COMBINATION TOOL AND MARKING CRAYON

A combination tool, the No. 127 **MAR-KUTTER**, recently introduced by the **MARKUT TOOL CO.**, includes a standard drawing crayon and a precision cutting blade in its sturdy, lightweight, tubular aluminum body. Both crayon and blade are retractable, for economy and safety. The tool is provided with a pocket clip, to prevent its loss and to stop it from rolling down a sloping surface.

Foremen, and other supervisors, in every industry find the No. 127 markutter useful in their receiving, mailing and shipping departments where the cutting blade is used to open cartons and cases of materials without damage to their contents. The crayon is used to mark prices, identification, and balances left in the various cartons for quick inventory.

LABELS FOR INDUSTRIAL USE

The most complete assortment of label types ever collected in one group has been prepared by the **ALLEN HOLLANDER CO.**

A dozen different general types of labels, suitable for scores of different usages by industry in merchandising, advertising, identification, delivery and selling, have been included in the sample kit. Among them are Pressure-Sensitive Labels, which require neither glue, moistening nor gumming to apply, and Heat-Seal Labels and Tapes, which are specially-prepared for use with the new types of packaging materials on today's market, such as plastics, cellophanes and other hard-to-label surfaces.

SLIDE-RULE TYPE CALCULATOR

A slide-rule type calculator, designed to aid screw machine stock buyers and operators to make quick stock requirement estimates on aluminum parts, is now available from **KAISER ALUMINUM & CHEMICAL CORP.**

The at-a-glance device instantly gives the amount of aluminum stock needed for 1,000 screw machine parts with combination dimensions ranging from ¼" to 3" in length and ⅛" to 3½" in diameter.

The calculator also gives pounds-per-foot, feet-per-pound and fractions-to-decimal equivalents for round and hexagon aluminum screw machine stock in diameters ranging from ⅛" to 8" in available alloys.

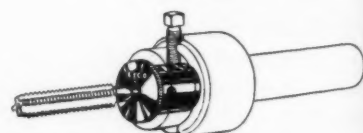
AMERICAN BRAKE SHOE CO., well known in the transportation industry for over 50 years, has published its first complete catalog, with emphasis on industrial products. This 48-page book illustrates representative parts produced by 11 divisions of the company and details physical properties or characteristics where pertinent. Breakdown is by type of product, and the catalog contains sections on ferrous castings, non-ferrous castings, bearing materials, sintered metals, steel forgings, welding products, air compressors, industrial pumps, dredge pumps, and railroad products.

NEW GAGE MEASURES INTERNAL DIAMETERS

NEW STANDARD DIVISION, U. S. EXPANSION BOLT CO., has introduced a new, direct-reading hole gage which quickly and accurately measures the internal diameters of small holes ranging from .020" to .130", and which is guaranteed accurate to within .0005" over the entire range.

The new precision instrument is called **KWIK-CHEK** and is similar in appearance and operation to a ball-point pen or automatic pencil. The new gage enables machinists, tool and die makers, set-up men or inspectors to make rapid precision measurements using one hand—leaving the other hand free to hold the work being checked or to perform other operations.

The direct-reading scale of the new gage is graduated in thousandths of an inch and has a built-in crystal magnifier which enables the user to readily obtain accurate readings to the nearest half-thousandth.



NEW TAP BUSHING

The **BYCO TAP BUSHING** has a square broached hole to fit and drive all standard diameter taps from No. 0 to 1½" and pipe taps from ⅛" to 1". They come in five O.D. sizes to fit ½" to 1½" tap holders.

The Byco Tap Bushing is chrome hardened and precision made. It will cut tap breakage to a minimum and assure a better cut thread. It is easy to install and easy to disengage.

Tightening the self centering screws provided on each side of the Bushing not only locks the tap securely but assures absolute true positioning.

Brass wire produced by **TITAN METAL MANUFACTURING COMPANY**, is described in detail in a new four-page folder just published by the company.

Titled "**TITAN BRASS WIRE**," the folder shows how Titan hot-extrudes, anneals and draws its wire, and outlines which temper grades are recommended for making rivets, bolts,

nuts, fasteners and similar cold-headed parts.

Grain sizes, weights and tolerances of Titan brass are given, as well as other useful data.

REPORT ON POLYETHYLENE APPLICATIONS FOR LARGE PLASTIC STRUCTURES.

A six-page report, illustrating and describing important polyethylene applications for large plastic structures, is now available from the **AMERICAN AGILE CORPORATION**.

The report points out that polyethylene, originally developed as a dielectric, is now bidding for structural applications in welded units, primarily where lightness in weight and corrosion resistance are decisive factors.

Advantages of the material include its relatively high softening point and good mechanical properties, outstanding resistance to a broad range of chemicals, superior electrical insulating properties, and ability to be fabricated by welding, injection molding, blow-molding extrusion, and centrifugal casting.

A new version of **BARRY'S PRODUCT DIGEST**, a four-page illustrated brochure with brief descriptions of the company's product line, is now available from the **BARRY CORPORATION**.

Specialists in shock and vibration isolation problems, the company shows all its standard isolators in the brochure, including miniature mounts for electronic gear in aircraft, shock mounts for mobile and shipboard packaging, and the **LEVELING BARRYMOUNTS**, which incorporate mobility features with vibration isolation, for metal working machinery.

An attractive, illustrated brochure entitled **"75 REASONS . . . WHY YOUR MEN SHOULD BE LINCOLN TRAINED"** shows actual instances where Lincoln-trained personnel have put their training to company use and advantage.

Actual companies, thumbnail sketches of trainees, training overview and method of insuring "well trained manpower in your supervisory bank." This is a "must" for all executives.

"DEGERM" LIQUID SOAP REDUCES SKIN BACTERIA

An entirely new type of antiseptic liquid hand soap called **"DEGERM"** has been developed by **HUNTINGTON LABORATORIES, INC.**

Huntington Laboratories states that they are adding this new soap to their line of medicated soap products because of its low cost and high bacteria-killing efficiency and that it has proved to be an ideal product for industrial use.

This new liquid soap, which kills germs as it washes the hands contains Actamer, a bacteriostat recently perfected by the Monsanto Chemical Company. It is claimed that the regular daily use of Degerm liquid soap with Actamer will destroy up to 97% of all bacteria on the skin. Degerm is said to be helpful in reducing the spread of colds, flu and other contagious infections; it is also being used to eliminate the cause of much dermatitis.

Tests by Huntington Laboratories, Inc., and Monsanto Chemical Company indicate that Degerm is mild and will not irritate normal skin.

PORTABLE PHOTO COPY MACHINE MAKES DRY COPIES AUTOMATICALLY!

Many plants and offices have need for a photo copy machine in various departments. Now, with the new bantam model **EXACT-PHOTO-COPY** machine, it's a simple matter to carry it to any office or department because it weighs only 22 lbs. It gives you about 90 copies per hour of anything typed, written, printed or drawn. No darkroom is required, your work in normal office light. The **HERBERT W. COHON COMPANY** states that this new machine makes exposure and processes all in one unit eliminating chemical fumes, washing, fixing, and drying. Copies are dry, error-free and legally accepted.

COLOR FILM DEMONSTRATES ELECTRIC TOOLS

A new, 20 minute, full-color motion picture entitled **"TOOLING UP FOR PROFITS,"** has been released by **THOR POWER TOOL COMPANY**.

The current 16mm. release covers the case history of the application of Thor electric tools to the assembly of oil burner units at the Columbus, Ohio, plant of Armstrong Furnace Company.

The film graphically demonstrates step-by-step comparisons of hand tool assembly methods with the startling production boost made possible by the application of Thor electric tools to the same operations.

WASHINGTON REPORT

(Continued from page 18)

the richest and most powerful nation the world ever has seen.

When Eisenhower took office, it was generally agreed that politically he was an amateur, a minor leaguer, at best. He never had held elective office, or, for that matter, a "public" office in the sense that the term generally is used. It was believed he would not seek a second term. But his state-of-the-union speech gave impressive proof that the Kansas farm boy and professional soldier has made the All-American, so to speak, as a politician. In fact, veteran political analysts are classing him with that all-time All-American politician, the late Franklin D. Roosevelt, as a creator of dilemmas for the opposition.

Eisenhower's speech was delivered in a more masterly style than he had shown previously. It left the Democrats fanning the air, for the time being. The President, again and more specifically, adopted a large

part of the New Deal-Fair Deal program.

Mr. Eisenhower did draw some distinctions between his philosophy and that of previous administrations. But Democrats would be turning their backs on a great many of the things they long have supported as a party, if they went to the mat with him over his primary proposals and objectives.

These include: Continued rearmament and strengthened security, continued foreign military and economic aid, reduced tariffs and trade barriers, continued farm price supports, and expanded public works program in the way of a huge (preliminarily estimated at \$101 billion over a 10-year period) "modern, efficient highway system," and Federal health and housing programs.

Therein lies the Democrats' dilemma.

Assuming Eisenhower will be the G. O. P. candidate in 1956, as most signs now indicate, the Democrats must present issues which the voters can clearly see and readily understand. It is doubtful any other political personality comparable to Eisenhower's in voter appeal, will come to the fore. With Eisenhower grabbing the "humanitarian" and social program which held them in such good stead for 20 years, the Democrats are going to have a tough problem framing some equally popular issues.

Of course, it's one thing for Eisenhower to continue to talk a liberal program, another thing for him to show the real leadership and fight necessary to establish it as law and then administer it. Hence the Democrats may concentrate on cutting Eisenhower down to size by showing he's not the man for the job.

The latter course seems more likely, here and now. So watch for the needle, then the knife, and then the big stick. It's all part of the American system, which is the best the world has ever seen.

A POSITIVE APPROACH TO SUPERVISION

(Continued from page 27)

A BETTER WAY

Now, let's see what happens if the foreman mentions one of the worker's good points; if he commends rather than criticizes. There doesn't have to be any "apple polishing" on the foreman's part if he makes such a commendation. A worker can know and do his job better than anyone else and still have troubles occasionally.

When the worker receives a pat on the back from his foreman, he knows that, even though he may have been wrong in blaming everyone else but himself for becoming angry, he's not such a bad person after all.

The fact that the foreman has mentioned something good about him, rather than something bad, means that the foreman still thinks he's at least as good as the next man. The worker realizes he hasn't lost his self-respect in the foreman's eyes, and in the eyes of his co-workers.

This matter of appreciating a man's good work is one of the foreman's best human relations tools. Your position gives you "status" in the eyes of the workers under you. What you say about them, either to their face or to others, can make them feel good or bad. I am convinced this is true, even of the most independent, self-reliant workers.

Merely telling a worker who's causing trouble that something else he's doing is appreciated may not remove the trouble. But, at the very least, the worker will feel that the foreman is on his side. As a result, the worker will be more willing to discuss the thing that's really bothering him.

Using the art of persuasion, rather than "pulling your rank," and considering the other person's pride, are only two of the things involved in a positive approach to supervision. But they are two of the most important. If you think about them, I'm confident you'll find it easier to solve the human relations problems that confront you.



Edmond A. Neal Jr., has been appointed technical lecturer on the selection, use, and care of hand steel files and rasps by the Nicholson File Co. Mr. Neal is available to speak before NAF clubs and personnel of metal working and other industrial plants where the more efficient use of files is of importance.

INCOME TAX

(Continued from page 13)

the interest had to be specified before you could deduct it.

DIVIDENDS

Those lucky enough to have a little sound stock stashed away are probably well aware by now that the burden of "double taxation" has been eased. In effect, partial credit is given a stockholder for the tax already paid by the corporation before he receives his dividend. This is the way it works.

The first \$50 of dividends received is tax free and need not be reported as income. Since the tax rate is 20 per cent in the first income bracket, this means a tax saving of \$10 (20 per cent of \$50) for the modest income shareholder.

If stock is owned jointly by husband and wife, each may claim up to \$50.

In addition, shareholders can subtract, not just from taxable income, but from their taxes, four per cent of all dividends, less \$50, received after July 31, 1954.

For the year 1954, this credit may not exceed in amount two per cent of the taxpayer's total taxable income. Thus anyone so fortunate as to have \$1,000 dividend income received after July 31, 1954, may first allow for the

tax-free \$50. This leaves \$950 to which he applies the four per cent and thus arrives at \$38 which he may subtract from his total taxes. However, if two per cent of his taxable income comes to only \$30, he may subtract only \$30 as his dividend income credit.

BEGIN EARLY

Many changes were made in overhauling the new code. You have an extra month to file, but you'll probably need it. Get your forms early and read the instructions carefully. Consult your nearest Internal Revenue office if you need help. Above all, don't rely on any self-appointed "tax expert" who may not know the new angles.

I BELIEVE

I believe in the NAF because it offers management men throughout America and the companies they represent a practical approach to the development of teamwork and understanding on the job.

The best thinking and experience of top men in industry has been utilized by the NAF to establish leadership standards of the highest quality. A sensible application of these fine principles promotes effective job operations and happier living from a personal point of view. I believe these standards have helped me to decide issues on a "what's right" basis rather than on a "who's right" basis.

As a member of the North American Aviation Management Club for seven years, four of which were served as an officer, my association with management men has developed a better understanding of mutual problems and objectives. The exchange of ideas on effective management has, through the North American Aviation Management Club's affiliation with The National Association of Foremen, been realized on a broader basis—a national scope.

GIL CHEEK

Foreman

North American Aviation, Inc.

MANAGE February 1955




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put new fun under your foot
and a great big grin
on your face!**

**You'll want to read about the
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You've got the greatest choice going in the Motoramic Chevrolet! Would you like to boss the new "Turbo-Fire V8" around . . . strictly in charge when the light flashes green . . . calm and confident when the road snakes up a steep grade? (Easy does it—you're handling 162 "horses" with an 8 to 1 compression ratio!) Or would you prefer the equally thrilling performance of one of the two new 6's? There's the new "Blue-Flame 136" teamed with the extra-cost option of a smoother Powerglide. And the new "Blue-Flame 123" with either the new standard transmission or the extra-cost option of new Touch-Down Overdrive. See why Chevrolet is stealing the thunder from the high-priced cars? It has that high-priced, high-fashion look and everything good that goes with it! Let your Chevrolet dealer demonstrate. . . . Chevrolet Division of General Motors, Detroit 2, Michigan.

Motoramic  More than a new car . . . a new concept of low-cost motoring!

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*Optional equipment.



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